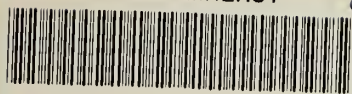


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Statewide Advisory Council
of the Massachusetts Office for Children

Children's Budget: FY '91

Our Declining Commitment
to
Children

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MARCH 1990

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The Commonwealth of Massachusetts

Office for Children Statewide Advisory Council

George Bachrach
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Dear Friends of Children:

Pursuant to its mandate in Chapter 28A of the Massachusetts General Laws "to advise on policy, planning, and priorities of need in the Commonwealth for services to children" the Statewide Advisory Council to the Massachusetts Office for Children issues its sixth annual analysis of the proposed state budget and its impact on children's services, **Our Declining Commitment to Children: The FY'91 Children's Budget.**

Our analysis includes appropriations in FY'89 and FY'90, as well as budget cuts implemented during the year. It also compares children's initiatives proposed in the Governor's proposed budget, House 1, with requests made by individual agencies and our own assessment of priorities for children's services in FY'91.

Our recommendations represent appropriate investments which will better ensure that children in Massachusetts have every opportunity to lead healthy and productive lives. Failure to make such investments at this time may cost the state more money in expensive services and programs for troubled and disadvantaged adults who were denied access to services in their childhood.

We hope that our effort will contribute to the legislature's and the public's understanding of the many strengths and some weaknesses in House 1. With the federal government's curtailment in its provision of services to children and families strengthening the commitment of the Commonwealth to children is imperative.

We wish to thank the staff of the Office for Children for their technical assistance in the preparation of the report.

Sincerely,

A handwritten signature in dark ink, appearing to read "George Bachrach".

George Bachrach
Chairman and President

THE BUDGET CRISIS OF 1989/90

Massachusetts state government has been virtually paralyzed for the past 18 to 24 months by its inability to resolve the Commonwealth's growing budget problems. Unexpected shortfalls in state revenues have caused a budget deficit in excess of \$500 million in the current fiscal year. While cuts in critically important human services have slammed shut the door of opportunity on thousands of poor and disadvantaged children and their families, the legislature has remained caught in the grip of a "no new taxes" fervor.

The budget crisis will play a major role in determining the status of Massachusetts children as the state heads into the 1990s. Advocates for children must understand and clearly articulate the link between taxes and spending and the state's ability to improve the quality of life for its children and protect its future.

Dispelling Damaging Myths

The debate about taxes and spending in Massachusetts has been influenced by a number of popular myths which have little basis in fact:

- **Myth #1:** Massachusetts has a very high tax burden.

Massachusetts cut taxes seven times in the 1980's reducing the annual tax base by \$700 million. According to figures from the U.S. Bureau of the Census, in FY'88, Massachusetts residents paid \$145.21 per \$1,000 of personal income in state and local tax payments, ranking 42nd among the 50 states. Since then, several states with lower tax burdens have raised taxes or fees while Massachusetts payments fell to \$143.17 per \$1,000 in FY'89.

- **Myth #2:** All we need to do to solve the budget crisis is eliminate waste.

While some money saving measures can and have been taken, over two-thirds of the state budget returns to cities, towns, and individuals in the form of local aid and human services. The remaining one-third pays for environmental protection, public works and all other state services. Eliminating all the state house door keepers, "unnecessary" legislative employees, and press secretaries would not close this year's \$500 million deficit.

- **Myth #3:** Voters don't support raising taxes.

Public opinion polls consistently show that overwhelming majorities of voters in Massachusetts - more than two-thirds - support raising taxes to pay for health care, education, mental health services, homeless shelters, and other direct services that benefit the public.

- **Myth #4:** State spending is out of control.

When inflation is taken into account, Massachusetts government spent less per dollar of personal income in 1987 than it did in 1979.

Impact of Budget Cuts on Children

While it is possible to debate tax and spending policy, it is undeniable that since the onset of the budget crisis, children's programs are being cut at a time when our children can least afford to lose them. In FY'90:

- The state eliminated 2,300 child care subsidies. The cost of child care has risen 13 percent over the past two years.
- Dropout prevention funding was cut by 60 percent in communities with high school dropout rates of 30 percent or more.
- A total of 750 teen parents lost education and counseling programs, and 2,000 teens lost pregnancy prevention services while the teen birth rate continues to rise.

By late October of 1989, more than 20,000 children were on waiting lists for state funded programs that provide shelter, food, respite, specialized health care, and child care. More than \$250 million has been cut from children's services since July, 1988. The proposed budget for FY'91 makes these cuts pale in comparison..

Fair Taxation

We can close the budget deficit by implementing new taxes which take into consideration the taxpayers ability to pay, thus assuring that moderate and low income people are not overburdened. Eliminating the 50 percent capital gains exemption would target a tax increase at the wealthiest taxpayers in the state. Today, the wealthiest 20 percent of Massachusetts taxpayers receive 89 percent of these exemptions. If the sale of a home continues to be exempted, but all other forms of capital gains (sales of stocks and bonds, paintings and race horses, to name a few) are not, the state would gain \$265 million annually. Extending the sales tax to include business services would also be fair. About \$250 million could be raised annually if financial, legal, architectural, engineering, and other services were included under the sales tax.

The Statewide Advisory Council (SAC) urges advocates for children to continue to support efforts to increase available state revenues. The best way to do that is through progressive tax reform. SAC also urges advocates to continue to oppose further erosion of the state's revenue base.

THE IMPORTANCE OF PUBLIC INVESTMENT IN CHILDREN

As the Commonwealth of Massachusetts enters the final decade of the twentieth century it is imperative that political, business, and community leaders take immediate stock of our most important resource, our children. The high school graduating class of the year 2000 is already in the second grade. Time is running out if we are to ensure that every member of that class has an adequate opportunity to become a productive member of society.

We have a long way to go to meet that goal. In fact, in the past two years we have been moving in the opposite direction. A look at some important indicators of the status of children reported by the Office for Children in its **Childwatch '90** series is troubling:

- Child abuse reports rose 15 percent last year.
- The cost of child care rose 13 percent in two years — double the inflation rate, while the state lost funding for 2,300 subsidies in FY'90 and proposes eliminating another 5,000 in FY'91.
- The four-year dropout rate at inner-city high schools remains almost 35 percent.
- The teen birth rate rose 13.9 percent between 1986 and 1988.
- The infant death rate rose to 7.9 per 1,000 births in 1988, up from 7.2 deaths per 1,000 in 1987.
- Fewer than half of all children are screened for lead poisoning.
- The AFDC caseload rose by 4,073 families in the second half of 1989 and totaled 164,194 children on December 31, 1989.
- The number of adolescents detained by the Department of Youth Services rose 11.3 percent in one year.

Efforts to resolve these and other problems faced by children growing up in today's complex society constitute an essential investment in our future. The Commonwealth will be able to compete and prosper in the national and global arena only if it provides all its children an opportunity to develop to their full potential.

Polls Support Investing In Children

Public opinion polls in Massachusetts and nationally all support increased public investment in children. According to these polls:

- Sixty percent of voters say that despite the federal deficit, the government should fully fund early childhood health and education programs because they save money in the long term (Hart, 1988).
- Over 70 percent of respondents in another poll agreed that both federal and state government should develop policies to make child care more available and affordable (Child Care Action Campaign, 1989).
- An overwhelming majority of Massachusetts voters support increased taxes to fund education, health care and other services for children (UMass, Boston, 1989).

An Agenda for Public Investment in Children

It is time for Massachusetts to follow the lead of a growing number of national and international organizations and adopt a strategy to invest in its children's future. In November 1989, the United Nations approved the Convention of the Rights of the Child. That document states that every child has the right to adequate nutrition and medical care, protection from abuse and exploitation by parents and others, and a free education; that pregnant women should have access to prenatal care; and that all children and families should be able to maintain a decent standard of living.

The Committee for Economic Development (CED), a New York-based nationwide group of business executives who advocate education reform, has designed a comprehensive three-part strategy to improve opportunity for all children. Their strategy would accomplish this by:

- **Preventing failure:** The group believes that government policies must encourage and support early intervention for disabled children, early childhood education and Head Start, prenatal care, and nutritional programs.
- **Restructuring schools:** CED supports a variety of education reforms, including school based management, parental choice and involvement, and alternative curricula.
- **Building partnerships among business, educators and the community:** CED believes all sectors of the community should unite to improve opportunities for disadvantaged children.

A statement by the Committee reads in part, "Effective solutions to the problems of the educationally disadvantaged must include a fundamental restructuring of the school system. But they must also reach beyond the traditional boundaries of schooling to improve the environment of the child. An early and sustained intervention in the lives of disadvantaged children, both in school and out, is our only hope for healing the cycle of disaffection and despair."

Massachusetts is well positioned to move aggressively toward making a sound investment in its children's future. A foundation of progressive children's services and governmental policies — similar to those called for by the United Nations and Committee for Economic Development — already exists. The Department of Education administers an array of underfunded programs which would, if fully funded, bring about major structural changes in our schools; the child care and early childhood education system in Massachusetts is hailed as a model public private partnership, and the state has a long history of developing progressive health care and social service programs for children and families.

The **Children's Budget** identifies the ways in which children's services in Massachusetts should be strengthened or expanded to put children on solid ground as the Commonwealth enters the twenty first century. Investing in children today makes better fiscal sense than paying later to repair the consequences.... teen pregnancy, illiteracy, an unskilled workforce, and welfare dependence.

THE BUDGET PROCESS

The state budget is an important tool for making public policy. It describes how billions of dollars are to be spent during the state's fiscal year which begins on July 1 of one year and ends on June 30 of the next. The preparation of the final budget for the Commonwealth begins in earnest in January and generally, but not always, concludes prior to the beginning of the new fiscal year. Preparatory work occurs at the agency and secretariat levels during the summer and fall.

The major steps in the budget process are as follows:

- State agencies develop their budget requests during the summer months. In September, requests are sent to the appropriate cabinet secretary, the Senate and House Ways and Means Committees, the Budget Bureau and the Legislative Committee on Post Audit and Oversight.
- In October, each secretariat holds public hearings on its agencies' budget requests. The secretariats' recommendations are then forwarded to the office of the Secretary of Administration and Finance (the Budget Bureau).
- The Budget Bureau finalizes each secretariat's request and makes recommendations to the Governor. The Governor submits his Budget Request, House 1, to the Legislature in January.
- The House Ways and Means Committee reviews House 1 and holds public hearings. The Committee then reports out its recommendations for the next fiscal year's budget. That document is sent to the House floor where it is discussed, amended and voted upon as the House version. It is then sent to the Senate.
- The Senate Ways and Means Committee also reviews and holds public hearings on the budget recommendations contained in both House 1 and the House version. The Senate Ways and Means version is discussed, amended and voted upon by the Senate.
- Differences between the House and Senate versions are resolved by a Joint Conference Committee. This body usually consists of six members — the chair and vice-chair of both Ways and Means Committees and a minority party member from each legislative body. The product of this Committee is sent to both the House and Senate for a final vote. Debate occurs, but no amendments can be offered.
- Once the budget is approved it is sent to the Governor for his signature. The Governor reviews it. He has ten days within which to make "line item" vetoes (i.e. reject specific appropriations) and approve the remainder of the Budget.
- The legislature, if still in session, reviews the line items identified for veto and has ten days within which to override the Governor's line item vetoes if it so chooses.

To adequately evaluate proposed spending on children's programs in FY'91, the **Children's Budget** contrasts FY'89 appropriations with current spending levels, maintenance estimates developed by state agencies, and the House 1 "no tax budget". These designations are defined as follows:

- **FY'89 Appropriation** — the amount of money designated for a specific account in the final FY'89 state budget.
- **FY'90 Funds Available** — the amount of money actually available after gubernatorial vetoes and withheld allotments and mid-year reductions ordered by the Administration and the legislature.
- **FY'91 Agency Maintenance Request** — the amount of money the agency estimates is necessary to maintain current services.
- **FY'91 No Tax Budget** — the amount of money proposed by the Governor to be available for allotment to a specific account if the legislature does not pass a bill to raise taxes, thereby generating additional revenues.

BASIC HUMAN NEEDS

The programs in this section help low and moderate income families maintain a decent standard of living for their children. The analysis includes income assistance programs administered by the Department of Public Welfare (DPW) and housing assistance programs administered by the Executive Office of Communities and Development (EOCD).

Child Poverty

OFC estimates that 435,000 children live in families who earn less than 70 percent of the state's median annual income, \$19,116 for a family of three in 1989. In 1989, 15.5 percent of Massachusetts children lived on family incomes that fell below the federal poverty line, up from 13.1 percent ten years ago. This figure is particularly startling since the past ten years were among the most successful in the economic history of the Commonwealth.

Poor children are more likely than other children to have serious health and social problems. They are more likely to be born small, die in infancy, be malnourished, fail in school and drop out, get in trouble, and become pregnant or father a child in their teenage years.

Family Income

The Department of Public Welfare publishes an annual "Standard Budget of Assistance" (SBA) which calculates the minimum income necessary for a family to maintain a decent living standard in its own home. The budget takes into consideration shelter and utility bills, food, clothing, personal care, transportation, and other expenses. The SBA figures for a family of three in 1990 in comparison to AFDC grants are as follows:

Category	S.B.A.	AFDC Grant
Living in private housing (Greater Boston or Cape Cod)	\$13,325	\$ 7,248
Living in private housing (elsewhere in Massachusetts)	\$12,408	\$ 7,248
Living in subsidized housing (anywhere in Massachusetts)	\$10,484	\$ 6,768

AFDC benefits for recipients living in private housing in Greater Boston are 46 percent below the Welfare Department's standard budget of assistance, and 37 percent below the federal poverty level.

Rising Poverty

The incidence of poverty in Massachusetts is rising. In Massachusetts, the number of families enrolled in AFDC increased by 5.75 percent from 86,256 in December of 1988 to 91,219 in December 1989. Between July 1, 1989, and December 31, 1989 the caseload rose by 4,073 families — 679 cases per month.

Housing and Homelessness

The shortage of affordable housing in Massachusetts is perhaps the single most important problem poor families face in making ends meet. The Welfare Department's SBA report found that in many parts of the state — including the entire Greater Boston area and Worcester — average fair market rents for a two bedroom apartment exceed the total monthly AFDC grant for a family of three. In Boston and Cambridge the average monthly rent for a two bedroom apartment is \$803, the AFDC monthly grant is \$579. The cost of housing in Massachusetts is 2 1/2 times higher than the national average.

Public housing is available to a small minority of AFDC families. Seventy percent of all AFDC recipients must compete for private housing at rents far beyond their reach. Local public housing authorities in Massachusetts usually have waiting lists numbering more than 1,000 applicants, and many are no longer accepting new applications.

Faced with such enormous financial pressure, it is not surprising that increasing numbers of families are homeless. Through the fall of 1989 over 1,000 families were living in hotels and motels.

Budget Crisis Impact

The impact of the budget crisis is being felt severely by poor children and families. AFDC benefits have been frozen since FY'89, despite an annual inflation rate of four percent or more. Additional benefits and assistance programs are being squeezed further. Emergency assistance funds for AFDC recipients were cut by \$13M by limiting eligibility. Housing subsidies available to families at risk of homelessness were also cut back, and during FY'90 the number of mothers and children able to enroll in the WIC program dropped by 1,250.

These figures pale in comparison to proposals in House 1 which will significantly endanger the survival of many poor children and families:

- There will be no AFDC cost of living adjustment for the second straight year, bringing benefits close to 40 percent below the federal poverty level.
- A total of 1,000 women will lose AFDC benefits during the first and second trimester of their pregnancies.
- Approximately 1,700 high school students living away from home will lose General Relief.
- Housing subsidies for homeless families are eliminated, and a total of 2,300 Chapter 707's housing certificates will be eliminated.
- The state's share of the fuel assistance program will be eliminated. As many as 50,000 eligible low-income households may be not be able to get help with their heating bills.
- Emergency assistance will be more limited, including a cap of three months on back rent payments, which will increase homelessness.
- The housing services program which helps families at risk of eviction find housing or avoid being evicted will be eliminated.

Also alarming is a negative backlash against some recipients of public assistance. Legislation which would cut off a portion of a family's AFDC benefits when a child drops out of school or which would restrict access to social programs for non-citizens is receiving increased support in the legislature and sympathetic treatment in the media.

The budget crisis in Massachusetts has increased the economic and social pressure on our poorest citizens to an intolerable level. Following is an analysis of proposed funding for state programs that help ensure the survival of children and their families.

**DEPARTMENT
OF REVENUE**

Child

Support

Enforcement

1201-0160

FY'89 Appropriation: \$ 19,611,346

FY'90 Funds Available: \$ 19,176,692

FY'91 Agency Maintenance Request: \$ 19,307,374

FY'91 House 1 No Tax Budget: \$ 18,922,124

The Department of Revenue (DOR) child support program helps custodial parents obtain child support orders and is establishing a centralized collection process for both AFDC and non-AFDC families which includes automatic wage withholding.

For the last year and a half, the Department of Revenue has received the child support payments and directed them to the appropriate families. In the past, individual courts were responsible for these collection efforts. By January of 1991, the **Child Support Enforcement Unit** will handle all collections for both AFDC and non-AFDC families.

There are about 200,000 single parents in Massachusetts; half do not receive adequate child support. The median income for single parent families is about one-third that of two parent families.

Child support funds collected for families on AFDC help defray the cost of the AFDC program. Of the amount collected, \$50 per month goes to the family. In FY'89, officials expected DOR to collect \$75M for AFDC. The agency collected just over \$70M. For FY'90, the target is \$75M and officials expect DOR to collect \$71M for AFCD.

As a result of the Administration's hiring freeze, the Child Support Program has lost 55 staff. Currently, 541 staff work in 46 field offices; no new staff have been hired since April, 1989.

House 1 reduces this account by 1.3 percent and projects \$85M in AFDC related collections. With continuing attrition of positions, it is unlikely that the collection goal will be reached.

SAC

Recommendation:

Support the agency request.

**EXECUTIVE
OFFICE OF
COMMUNITIES AND
DEVELOPMENT**

Gateway

Cities

3000-0301

3000-0302

3000-0303

FY'89 Appropriation: \$ 7,174,388*

FY'90 Funds Available: \$ 54,388

FY'91 Agency Maintenance Request: \$ 0

FY'91 House 1 No Tax Budget: \$ 0

*The Governor withheld \$4M of the FY'89 appropriation, leaving just \$3M for grants.

The Gateway Cities program provides grants and additional local aid to communities with large populations of recent non-English speaking immigrants. Gateway Cities has become an important source of discretionary social service funding for these groups in areas with few other resources. The funds are awarded in the form of local aid according to a set formula and emergency grants.

While the Gateway Cities program suffered a deep cut in FY'89, it was effectively eliminated in FY'90. The legislature appropriated \$3M for Gateway Cities local aid, but the Governor vetoed or withheld all of it. That left \$170,000 for administration, much of which was later cut.

EOCD's "responsible budget" request of \$3M would restore Gateway Cities to its FY'89 spending level. House 1 eliminates all funding for these immigrant services.

SAC

Recommendation:

Support EOCD's "responsible budget" request and restore \$3M to this account.

Rental

Development

Action

Loans

3722-8878

FY'89 Appropriation: \$ 0

FY'90 Funds Available: \$ 1,616,755

FY'91 Agency Maintenance Request: \$ 3,583,211

FY'91 House 1 No Tax Budget: \$ 2,180,000

The Rental Development Action Loan (RDAL) program was created by 1987 Housing Bond legislation (Chapter 226) to create and preserve rental housing and tenant cooperatives. It is intended to fill a gap which often exists between assistance provided in some state and federal housing development programs like SHARP (State Housing

Assistance for Rental Production, 3722-9027) loans, and the level of subsidy needed to make the programs affordable. Since the formal creation of RDAL, "expiring use restrictions" on federally mortgaged rental properties have become a critical issue in preserving affordable housing, and proposed RDALs have become important in refinancing. The bond bill authorized the state to commit up to \$10M in operating funds for these loans. EOCD planned to spread the program over five years. An error in the original bill's language delayed the program's start-up in FY'89. For FY'90, the legislature appropriated \$3.3M; the Governor vetoed and withheld a total of \$1.6M, cutting the appropriation to \$1.7M. The Budget Control Act cut another \$100,000, leaving just \$1.6M. EOCD expects to develop 1,354 units in FY'90 and has made commitments for 1,000 more.

EOCD requested \$3.6M in this account to fulfill its commitments to the 16 projects representing 2,354 units, which are now under contract, and develop 1,100 more units before the end of FY'91. These would include both foreclosed bank properties and expiring use properties, which without state refinancing could leave low-income families displaced from their homes.

The Governor's recommendation of \$2.18M will allow EOCD to fulfill only its existing commitments. Without any indication that future costs can be met, EOCD will make no further commitments under RDAL.

SAC

Recommendation:

Support the agency request.

**Homeownership
Opportunity
3722-8880**

FY'89 Appropriation: \$ 0
FY'90 Funds Available: \$ 428,979
FY'91 Agency Maintenance Request: \$ 5,150,000
FY'91 House 1 No Tax Budget: \$ 3,200,000

The Homeownership Opportunity Program (HOP) with the Massachusetts Housing Finance Agency provides low cost mortgage financing for qualified first-time home buyers. In FY'90, the legislature appropriated \$3.7M to cover the operating costs of HOP units that are due to be ready for occupancy this year. The Governor vetoed and withheld a total of \$1.3M, anticipating construction and marketing delays. The legislature cut \$2M more in the Budget Control Act. Projects that might have opened in the last quarter of FY'90 will be delayed until FY'91.

To cover just the 850 units due to open in FY'91, the Governor recommends \$3.2M. The \$5.1M requested by EOCD would fund additional projects now in the planning stages, and would allow the

Massachusetts Housing Partnership to work with banks to make fore-closed properties available to lower-income buyers at below-market prices. Up to 950 more units of affordable ownership housing could be produced by the end of FY'91.

The no-tax budget also forces EOCD to refrain from making any additional commitments under HOP. Because it takes a long time to develop housing, suspending the program will have a serious effect on future affordable housing production. Considered in combination with the Massachusetts Housing Partnership (3748-0001), which previously funded HOP, the no-tax budget cuts the initiative from \$8M in FY'90 to \$4.7M in FY'91.

SAC

Recommendation:

Support the agency request.

**Neighborhood
Housing
Grants
3722-9001**

FY'89 Appropriation: \$ 834,968
FY'90 Funds Available: \$ 531,471
FY'91 Agency Maintenance Request: \$ 640,950
FY'91 House 1 No Tax Budget: \$ 0

The Neighborhood Housing Services Corporation maintains a revolving home repair and improvement loan fund for low and moderate income homeowners who cannot qualify for conventional financing. The Governor vetoed \$200,000 for FY'90 and the legislature cut \$100,000 more in the Budget Control Act.

Under the FY'91 no-tax budget, the Governor eliminates this program altogether. As a result, approximately 87 units of affordable housing will remain in deteriorated and often uninhabitable condition. EOCD requested \$640,950, to maintain current services.

SAC

Recommendation:

Support the agency request.

**Homelessness
Prevention
Program
3722-9006**

FY'89 Appropriation: \$ 0
FY'90 Funds Available: \$ 3,000,000
FY'91 Agency Maintenance Request: \$ 3,000,000
FY'91 House 1 No Tax Budget: \$ 0

This account funds the major portion of the administration's homelessness initiative. In FY'89, EOCD set aside 2,000 new Chapter 707 rent certificates for homeless families living in hotels and motels (Emergency Rental Assistance account 3722-9007). This account (3722-9006) represents the new FY'90 homeless initiative.

The new Homelessness Prevention Program is designed not only to serve those families who have already become homeless and are living in hotels and motels paid for by the Department of Public Welfare, but also to provide assistance to families who are at risk of losing their housing. To do so, EOCD ended the separate distribution process that has channeled Chapter 707 rent certificates to homeless families through the agency's network of non-profit agencies administering "set-asides" for the homeless. Instead, new certificates now go to local housing authorities, which also administer existing 707 certificates. In addition, EOCD has created a new priority need category, second only to actual homelessness, of "at risk" of homelessness. With this new prioritization of new and recycled Chapter 707 certificates, EOCD also wants local housing authorities to establish a similar priority system for the far larger pool of federal Section 8 certificates they administer. Section 8 certificates have a turnover of around 4,500 certificates per year and are currently issued mainly on a first-come first-served basis. In this way, EOCD hopes to "leverage" from local housing authorities additional rental assistance for families who are the most desperate.

In FY'90, the legislature appropriated \$4M, enough to fund 1,000 Chapter 707 rent certificates for the homeless and "at risk". The Governor withheld \$1M of this allotment, forcing slower distribution of the 1,000 certificates. A further \$1M cut in the Budget Control Act would have stopped distribution altogether halfway through the year, but the Governor vetoed it. EOCD is expected to issue between 800 and 850 certificates in FY'90.

EOCD requested \$3M for new homelessness prevention certificates for FY'91. House 1 recommends no new rent subsidies for the homeless and further eliminates funds for the reissuance of existing Chapter 707 certificates returned to EOCD through normal

turnover (See: Housing Subsidies, 3722-9024). In FY'91, for the first time since the Chapter 707 program's inception, the state will not be able to issue a single rent certificate to a needy family. There are about 1,000 families currently living in hotels, motels and shelters.

The \$7.2M annualized cost of FY'90's 1,000 homelessness certificates is consolidated into the Housing Subsidies account.

SAC

Recommendation:

Support the agency request as a more accurate reflection of the level of need.

**Supportive
Services
Program
3722-9018**

FY'89 Appropriation: \$ 5,572,540
FY'90 Funds Available: \$ 5,100,000
FY'91 Agency Maintenance Request: \$ 5,241,692
FY'91 House 1 No Tax Budget: \$ 0

This account funds remedial education and employment and training programs for over 6,000 public housing tenants. These include some 1,400 individuals in literacy programs and 1,200 teenagers in counseling/work experience programs and after school tutoring. It also pays for the development of day care centers in public housing developments.

Supportive services have been cut by \$425,000 over the course of FY'90, with the Governor withholding \$250,000 of the \$5.5M appropriation in July, and the legislature cutting \$175,000 more in the Budget Control Act. Recommended for zero funding under the Governor's FY'91 no-tax budget, all these services would be eliminated. EOCD's budget request projected \$5.2M to maintain current services.

SAC

Recommendation:

Support agency request.

**Housing
Subsidies
3722-9024**

FY'89 Appropriation: \$ 130,933,496
FY'90 Funds Available: \$ 149,518,146
FY'91 Agency Maintenance Request: \$ 161,810,762
FY'91 House 1 No Tax Budget: \$ 150,710,762

This account funds state housing subsidy programs for public, family, elderly, and handicapped housing. The Chapter 707 rental assistance program is also part of this account. Chapter 707 pays private landlords the difference between fair market rent of the apartment and 25 percent of the tenant's household income.

EOCD estimates that it will have 18,800 units under lease through Chapter 707 by the end of FY'90. Of these, 13,000 are rent certificates issued to low-income families who have found an apartment. Another 5,700 are "project-based" subsidies committed to a particular affordable housing development. Eligible low-income families acquire these subsidies when they rent units in the new or renovated affordable housing complex.

The House 1 recommendation shifts the \$7.2M full-year cost of FY'90's homelessness rent certificates (3722-9006) to this account. Therefore, the \$150.7M funding level in account 3722-9024 is actually a \$1.8M cut from the \$152.5M available in FY'90 (3722-9024 and 3722-9006). EOCD estimates that it would take \$164.8 million to maintain the current level of services — \$14M more than House 1 recommends — and, adjusting for anticipated savings from tenant rent deductions, requested \$159.8M in that account for FY'91.

The most drastic cut would come in the Chapter 707 rent certificate program. Under the no-tax budget, EOCD would be unable to re-issue any of the roughly 1,500 Chapter 707 certificates turned back to the agency through normal tenant turnover. Since House 1 also includes no funding for new Chapter 707 certificates through the homelessness prevention program (3722-9006), this could mean that not a single new family would get a housing subsidy during FY'91. The total number of families in private housing receiving rental assistance would actually decline over the course of the year, from an estimated 13,146 at the start of the year to 11,661 by the end.

Many of those still living in state-assisted housing — in public and private developments alike — will face a rent increase. As part of an FY'90 savings initiative, EOCD is revising its regulations on the portion of tenant income that can be exempted from the 25 percent nominal rent contribution. For state-supported public housing and private housing tenants, this could mean a rent hike of approximately \$23 per month.

SAC

Recommendation:

Support the agency request.

SHARP 3722-9027

FY'89 Appropriation: \$ 16,711,969
FY'90 Funds Available: \$ 23,406,555
FY'91 Agency Maintenance Request: \$ 29,347,882
FY'91 House 1 No Tax Budget: \$ 26,151,434

State Housing Assistance for Rental Production (SHARP) is a loan fund for the development of mixed income housing projects.

Appropriations reflect the cost of commitments made in previous years. Advocates are focusing attention on the language authorizing new commitments for future years.

The Governor's recommendation covers contractual obligations under SHARP. The spending increase reflects the full-year cost of SHARP units that reached occupancy early in FY'90 and part-year cost for the 430 units expected to open later this year. In its budget request, EOCD asked for \$3.2M more, but because of SHARP's long development timeline, these funds would not result in any new housing before the end of FY'91.

The House 1 budget means that the state will make no further commitments to new projects, even though there is an existing authorization that could allow the state to move forward on 2,500 additional units. With the lengthy lead time involved in SHARP, no new commitments now means no new housing for a long time in the future, even should the program resume.

SAC

Recommendation:

Support the agency request.

**Housing
Services
3743-2036**

FY'89 Appropriation: \$ 2,258,440
FY'90 Funds Available: \$ 1,994,000
FY'91 Agency Maintenance Request: \$ 2,059,099
FY'91 House 1 No Tax Budget: \$ 0

This homelessness prevention program provides workshops and counseling on managing finances and properties for tenants and landlords. These services are provided by 22 local agencies. It also funds tenant landlord mediation programs. According to EOCD, in a given year, the program prevents 3,600 families from becoming homeless at an average cost of \$612 per client, and assists over 18,000 low-income families in maintaining stable housing arrangements.

In its budget request, EOCD asked for \$2.1M to maintain current services. House 1 eliminates the program entirely.

SAC

Recommendation:

Support the agency request.

**Emergency
Fuel
Assistance
3745-1000**

FY'89 Appropriation: \$ 16,996,000
FY'90 Funds Available: \$ 7,199,000*
FY'91 Agency Maintenance Request: \$ 11,199,000
FY'91 House 1 No Tax Budget: \$ 0

*Plus a \$4M "prior appropriation continued."

This program provides state funds to make up for cutbacks in the federal fuel assistance program and restrictions in federal guidelines. As many as 50,000 households may be eligible and not participating in the program. In recent years the state appropriation has not kept pace with federal cut backs. In FY'89, the time period during which recipients could receive funds, the "program year", was cut back on both ends of the heating season. The year now runs from November 1st to March 31st instead of October 1st to April 30th. Those cutbacks combined with relatively low oil prices and relatively little severe winter weather resulted in a drop-off of 11,000 applications and a \$4M surplus which was rolled over into FY'90. This winter, with bitterly cold weather in December followed by sharply higher oil prices, applications increased by 10,000 and disbursements are \$9M higher than at this time last year — a 35 to 40 percent increase. Local agencies that administer the program expect to run out of money well before the program year ends on March 31, 1990.

EOCD requested \$12.7M to maintain current benefit levels and allow for possible increases in demand. House 1 proposes no state fuel supplement at all for FY'91. That would eliminate fuel assistance for approximately 7,400 one- and two-person households whose income is just above federal guidelines. Overall funding for the combined state and federal fuel assistance program would drop by more than 15 percent, and would mean further reducing maximum benefits and/or further limiting eligibility.

SAC

Recommendation:

Support the agency request.

**DEPARTMENT
OF PUBLIC
WELFARE
Public
Welfare
Administration
4400-1000**

FY'89 Appropriation: \$ 135,376,116
FY'90 Funds Available: \$ 134,375,000
FY'91 Agency Maintenance Request: \$ 135,626,568
FY'91 House 1 No Tax Budget: \$ 135,626,568

DPW has consolidated several accounts into this general administration account, including local offices, the Food Stamp Program and Project Good Health.

DPW currently maintains 64 local offices, whose workers administer benefits under the AFDC, Food Stamp, SSI, General Relief, and Medicaid programs. They determine eligibility, and direct clients to health care, employment and training, and housing services. A savings plan adopted at the end of calendar year 1989 calls for the closing of eight local offices by the end of FY'90. Since June of 1988, there has been a 14 percent overall staff reduction at the Department.

The state pays half of the administrative cost of the food stamp program; benefits are 100 percent federally funded. The monthly caseload for June, 1989 was 139,233 households. About 150,000 children receive food stamps. An AFDC family of three now receives a maximum benefit of \$173 per month, a \$28 increase over last year's \$145 benefit level. While 80 percent of AFDC families receive food stamps, many SSI and GR recipients who would be eligible for food stamps do not apply. About 72 percent of GR recipients and only 27 percent of those on SSI receive food stamps.

House 1 recommends funding at .2 percent above FY'89 spending. EOHS currently estimates FY'90 spending to be \$134.6M, even though the recent legislative savings package cut DPW administration down to the \$134.4M figure shown here. DPW had planned, in addition to closing the eight offices, to cut 125 workers during FY'90, for a savings of about \$7,500 per worker. Even deeper cuts may have to be made to reach the spending level approved by the legislature.

**SAC
Recommendation:**

Support the agency request.

**Employment
and Training
(E.T.) and
Voucher
Day Care
4400-1009**

FY'89 Appropriation: \$ 74,457,531
FY'90 Funds Available: \$ 78,853,409
FY'91 Agency Maintenance Request: \$ 78,831,102
FY'91 House 1 No Tax Budget: \$ 78,831,102

This account funds the E.T. Choices (ET) employment and training program and voucher day care. In FY'90, \$52.4M paid for child care, the remaining \$26.4M for job training.

E.T. is the state's voluntary job training program for AFDC recipients. The program has placed 71,000 AFDC recipients in jobs since it began in 1985. In FY'90, DPW expects to place 12,000 AFDC clients. During the first four years of the program, the AFDC caseload fell by 38 percent and the average length of a recipient's dependence on AFDC fell from 37 months to 28 months. Almost 60 percent of E.T. graduates have children who are under six years of age.

In FY'89, ET graduates earned an average annual wage of \$15,000 — an amount insufficient to allow graduates to pay the full cost of child care. For this reason, child care represents a key component of the program. Care is provided not only while the participant undergoes training but also for two years after entering the workforce. Recipients receive a voucher which the day care provider redeems. DPW provides vouchers for one year after graduation. After that, the administration prefers to place the children in day care centers that hold contracts with the Department of Social Services (4800-0060). DPW estimates that in FY'90, an average of 10,800 children per month will use day care vouchers.

FY'90 cuts have resulted in the elimination of "extended voucher" placements for most ET graduates and children have been moved to contracted slots as they open. If ET graduates are to stay in the labor force, the number of subsidized child care slots must be increased.

House 1 level funds this account. DPW has not determined how it will divide the funds among day care and job training. Cuts are likely to be necessary, because the cost of child care and training programs is expected to rise with inflation.

SAC

Recommendation:

Support the agency request.

**Aid to
Families
with
Dependent
Children
(AFDC)
4403-2000**

FY'89 Appropriation: \$ 583,942,085*
FY'90 Funds Available: \$ 560,200,000**
FY'91 Agency Maintenance Request: \$ 595,503,222
FY'91 House 1 No Tax Budget: \$ 589,003,222

*The FY'89 appropriation includes both the AFDC and the Emergency Assistance (EA) programs. EA cost about \$56M in that year. In FY'90 and FY'91, Emergency Assistance is funded under a separate line item (4403-2100).

**The FY'90 figure shown here reflects the EOHS estimate for actual spending, which is more than the \$535M appropriated.

AFDC provides monthly benefits to all financially eligible families in which one-parent is absent or in two-parent families in which the principal wage-earner has been unemployed for 30 days and is not receiving unemployment compensation.

For a family of three, the AFDC grant currently stands at \$539 per month, plus a \$40 monthly rent supplement for recipients living in unsubsidized housing. Monthly grants increased by 5.5 percent in FY'89. There was no increase in FY'90. The basic grant is now 39 percent below the federal poverty level of \$880 per month for a family of three. Those receiving the rent supplement are 34 percent below poverty. Eighty percent of AFDC recipients receive food stamps. When the grant is increased, the food stamp allocation is reduced.

After a steady period of decline since FY'83, the AFDC caseload is increasing. Since July, 1988, it has increased by 8,170 families to 91,219 in December, 1989. This may be due to a variety of factors, such as the decline in the state's economic growth and the increased rate of births to teens; 13 percent of the new cases have a parent under the age of 20.

There is no cost of living increase for AFDC recipients proposed in House 1. Based on the newest poverty rate figures, AFDC grants in FY'91 will be at least 39 percent below that federal poverty line. For FY'90, the federal poverty level is set at \$10,560 per year for a family of three. In the mid-1980's, grants increased from a starting point of 40 percent below to a level of about 30 percent below the poverty line. Two years of failure to keep pace with inflation has already eroded most of the progress that had been made.

For the first time in many years, the House 1 proposal reduces eligibility for AFDC benefits. First and second trimester pregnant women with no other children will no longer receive AFDC benefits if House 1 is adopted. This action is expected to result in a savings of \$4M.

House 1 estimates that 1,000 pregnant women will lose benefits. While they will still be able to receive prenatal care, improper nutrition and inadequate housing arrangements can also threaten the health of both mother and child.

House 1 also does away with supplemental benefits for AFDC recipients whose earnings have decreased and who are entitled to an increase in their AFDC benefits. Federal rules leave a two month lag between the time when the income is lost and when benefits are increased. Massachusetts has offered supplemental benefits so that low income people do not have to wait for their grant to reflect their actual income. Those benefits will be discontinued at a savings of \$300,000.

For savings of \$2.2M, the Governor's budget also eliminates "optional AFDC filing units" which enable an AFDC family to treat a niece or nephew, for example, living with them as a separate unit.

SAC

Recommendation:

Restore \$4M to fund AFDC benefits to eligible pregnant women in their first and second trimesters. Include at least a four percent cost of living increase in FY'91.

Emergency Assistance 4403-2100

FY'89 Appropriation: \$ 0*

FY'90 Funds Available: \$ 71,780,000**

FY'91 Agency Maintenance Request: \$ 79,004,000

FY'91 House 1 No Tax Budget: \$ 76,004,000

*Included in AFDC account (4403-2000).

**This reflects FY'90 estimated spending; FY'90 appropriation was initially set at \$45.9M.

Created in the FY'90 budget, this account split Emergency Assistance out of the AFDC account. Emergency Assistance pays for stays in hotels or motels for homeless families and is used to prevent homelessness by paying for back rent or utility payments. Only about one-third of the AFDC population makes use of EA.

Several restrictions have been or are scheduled to be implemented in FY'90. Public housing tenants are excluded from receiving back rent or utility payments. Hotel/motel rates must not exceed the regular

rates charged to the public, and a plan which would end the use of hotels and motels for homeless families is to be filed. The savings package passed by the legislature also reduced from four to three the number of months for which back rent and utilities can be paid.

The administration has been working hard to restrict the use of Emergency Assistance, because the costs have been growing. DPW has eliminated the finder's fee it had offered to realtors who secured housing for AFDC recipients, at a savings of \$1.02M. DSS workers must make site visits to families who wish to enter a shelter or hotel/motel emergency arrangement. If the family is currently doubled up in housing, the DSS worker may determine that they should not be provided other shelter.

These measures have resulted in a drop in the number of families in hotels and motels. Advocates do not believe that the drop has occurred because families have found permanent housing, but rather, because entrance into these temporary arrangements for the homeless is more difficult.

The Massachusetts Coalition for the Homeless believes that one positive change occurred in FY'90. Under an outside budget section, DPW is allowed to secure apartments for use as temporary shelters, instead of relying on hotels and motels.

The House 1 proposal is \$3M less than DPW's conservative maintenance budget of \$79M. To meet the House 1 budget, DPW plans to continue the three month limit on back rent and utility payments and will limit the security deposit and first month's rent allowance to the size of the family's monthly AFDC grant.

Combined with FY'91 cuts in housing subsidies, it is likely that homelessness will increase.

SAC

Recommendation:

Restore \$3M to provide the current level of services.

General

Relief

4406-2000

FY'89 Appropriation: \$ 110,300,000

FY'90 Funds Available: \$ 126,200,000

FY'91 Agency Maintenance Request: \$ 149,000,000

FY'91 House 1 No Tax Budget: \$ 124,460,000

GR is the state-funded income assistance program for individuals and families who are not eligible for federal programs such as AFDC or SSI. The monthly GR caseload of 31,664 includes approximately 1,700 full time high school students living on their own and about 2,500 families, often teen parents who fail to meet AFDC work history

requirements. In FY'89, over 3,000 high school students received GR benefits for all or part of the year. A GR family of three receives a monthly grant of \$486.60 plus a \$40 rent supplement if they live in unsubsidized housing. An AFDC grant for the same size family would total \$539 plus the rent supplement.

The House 1 budget would reverse much of the progress that has been made since 1982 in restoring GR benefits which were cut in 1975. Benefits would be eliminated for undocumented aliens, saving \$1.9M. The 1,700 full time students in high school or vocational school who are living on their own will lose benefits, forcing them to drop out of school or return to difficult family situations. The General Relief Emergency Relief program would be shut down completely, saving \$9M in FY'91. Emergency Relief provides both back rent and utility payments to prevent homelessness.

SAC

Recommendation:

Restore \$3.84M to fund GR benefits to the more than 1,700 high school who do not live at home.

**Homelessness
Programs
4406-3000**

FY'89 Appropriation: \$ 29,227,284
 FY'90 Funds Available: \$ 29,300,000
 FY'91 Agency Maintenance Request: \$ 29,300,000
 FY'91 House 1 No Tax Budget: \$ 29,300,000

This account funds 50 to 75 percent of the cost of operating emergency shelters throughout the state. In addition to shelter, families and individuals are provided with food, clothing, medical care and housing search assistance. During FY'88, 5,700 families required emergency housing. The number of families in hotels, motels and shelters has been declining in recent months. There were 1,040 families in hotels, motels and shelters on October 1, 1989. By January 4, 1990, that number had declined to 943. This is due in part to new regulations adopted by DPW which make it more difficult to qualify for emergency housing.

A DSS worker must make a site visit to the family's current location to determine the severity of their problem. Homeless people can be assigned to a particular shelter under certain circumstances. If they refuse to go there, they may not be offered alternatives.

House 1 level funds this account. With tightened regulations, it is assumed that \$29.3M is enough to fund the current level of services.

SAC

Recommendation:

Support the agency request.

**DEPARTMENT
OF
SOCIAL
SERVICES**

**New Chardon St.
Home
4800-0050**

FY'89 Appropriation: \$ 570,021
FY'90 Funds Available: \$ 597,413
FY'91 Agency Maintenance Request: \$ 0
FY'91 House 1 No Tax Budget: \$ 0

This account provides funds for a DSS operated homeless shelter for women and children, which has been in operation since 1859, the last 57 years in its present location. The shelter currently houses 14 families. House 1 proposes to close the shelter.

SAC

Recommendation:

Support FY'90 budget.

CHILD CARE

There are 927,000 children under thirteen years of age in Massachusetts; 550,000 of these children live in families where all resident parents work outside the home. There are 335,000 children across Massachusetts cared for by adults other than their parents for some portion of every work day. At the beginning of FY'90, there were nearly 14,000 licensed child care programs in Massachusetts. The combined full-time capacity of these facilities was 146,705 and the number of children enrolled on a full-time or part-time schedule totaled just under 185,000.

A 1988 study by the Office for Children found that an additional 77,352 children throughout the state will need child care by 1995; and that more than 51,000 mothers who are not currently employed say they would look for work, go to school, or enter a job training program if decent child care were available to them at a reasonable cost.

Child Care Costs Rising

Parents who need child care have to pay more for it than ever before. Over the past two years the average annual cost of child care in the state has risen by 13 percent: from \$7,325 for infants and toddlers in child care centers to \$8,277; from \$5,075 for preschoolers in centers to \$5,735; and from \$5,400 for children in family day care to \$6,102.

The burden of the rising cost of child care falls most heavily on low and moderate income families. Over half of the low income families in Massachusetts who use child care pay 10 percent or more of their income for that care; 39 percent pay 15 percent or more.

Child Care Assistance Does Not Meet the Need

The Office for Children estimates that more than 135,000 Massachusetts children whose parents are employed qualify for a state child care subsidy. In FY'90, the total number of available subsidies in the state is over 27,000. To become eligible for a state subsidy, families must have an annual income less than 70 percent of the state's median income - \$19,116 for a family of three.

In the fall of 1989, 7,000 families were on waiting lists for subsidized child care in Massachusetts.

Public Policy Response

Since the Governor's Day Care Partnership Project issued its recommendations in 1985, Massachusetts has taken great strides forward in making child care more available, more affordable, and of better quality. FY'91 will mark the sixth year of the day care partnership initiative.

The day care initiative is at an important crossroads. While much has been accomplished, the figures cited above make it clear that the Commonwealth has a long way to go before all families who need it, have access to affordable high quality child care. The budget crisis interrupted, and threatens to scale back, the important progress of the past five years:

- In FY'90, 2,300 child care subsidies were eliminated;
- Early childhood education programs administered by the Department of Education were reduced by 25 percent in FY'90;
- Child care workers in agencies with state contracts, historically underpaid, have not had a salary increase in 18 months, which contributes to the high turnover rates that threaten the quality of child care;
- The corporate child care program, which encourages Massachusetts employers to subsidize child care for its employees has been scaled back 75 percent since FY'88;
- Due to budget cuts, the Office for Children's child care licensing programs are operating at a 16.4 percent staff vacancy rate, which hampers efforts to monitor the quality of child care services in the state.

House 1 proposals for FY'91 do further damage by continuing all of the cuts listed above and by eliminating an additional 6,000 child care subsidies. If the proposed child care budget passes, Massachusetts will have eliminated nearly one-third of all child care subsidies for low income working families in one year.

The budget crisis will also hamper the state's ability to implement recommendations issued over the course of the past year by three child care related task forces or commissions:

Affordability Task Force

In response to rapid increases in the cost of child care, the **Massachusetts Child Care Affordability Task Force** has implemented one and proposed the creation of two other innovative programs designed to help moderate income families who need child care:

- The **Affordability Scholarship Program (ASAP)** was created in 1987 and provided financial support to 310 families whose income was just above the limit for other subsidies. The pilot program has accepted no new participants since then and is eliminated in House 1.
- The Task Force proposed a new pilot program in conjunction with the DSS Public Private Partnership program. Private sources would be sought to provide a 25 percent match of public funds to create new slots for moderate income families through the DSS contracted system.
- The **Employer-State Tuition Assistance Trial (E-STAT)** would create a program in which business, parents, and the state share in child care costs. Participating businesses would receive 25 percent matching funds from the state with the rest of the costs shared between the employer and participating employees.

SAC Day Care Committee

A subcommittee of the Office for Children's Statewide Advisory Council (SAC) Day Care Committee published a report in June 1989 on **Day Care in the Public Schools**. Based on a series of public forums held in December, 1988, the report recommended that more state resources be devoted to improving staff salaries and training, creating new child care programs, especially for school age children and children with special needs, and improving transportation.

Latch-Key Children

The Special Commission on Children in Need of Services released a report, "Latch-Key Children: Who Really Cares?" in the fall of 1989. The Commission estimated that at least 52,000 Massachusetts children between the ages of six and twelve spend all or part of their afternoons, school vacations, summers, and sick days at home alone or with their siblings. Options for school-age child care are limited by the lack of available programs and the high cost of care.

Among the recommendations in the report is a call for 100,000 additional school-age child care subsidies in Massachusetts by 1993; and passage of legislation creating a grant program to assist communities in the planning and development of school-age child care programs in FY'91.

The following accounts support the Massachusetts Day Care Partnership Initiative.

EXECUTIVE OFFICE OF COMMUNITIES AND DEVELOPMENT

Supportive Services

And Reserve
3722-9018

FY'89 Appropriation: \$ 2,786,270
FY'90 Funds Available: \$ 5,100,000
FY'91 Agency Maintenance Request: \$ 5,239,048
FY'91 House 1 No Tax Budget: \$ 0

This account funds remedial education and employment and training programs for public housing tenants. (For a complete description of the programs provided under this account, see **Basic Needs**.) Some funds are used to operate day care centers in public housing projects. It also funds counseling and work experience programs for 1,200 youth living in public housing projects. A total of \$425,000 was cut from the program during FY'90. House 1 would eliminate the program.

SAC

Recommendation:

Support the agency request.

**EXECUTIVE
OFFICE
OF
HUMAN
SERVICES
Provider
Salaries
4000-0770**

FY'89 Appropriation: \$ 17,300,000
FY'90 Funds Available: \$ 0
FY'91 Agency Maintenance Request: \$ 0
FY'91 House 1 No Tax Budget: \$ 0

In previous years, this account funded a reserve to increase the salaries of workers in private agencies with state contracts. Private human service agencies continue to experience high staff turnover because of low salaries. Contracted workers received no cost of living of adjustment in FY'90. House 1 does not include funding for cost of living increases.

**SAC
Recommendation:**

Fund a four percent COLA in FY'91.
.....

**OFFICE FOR
CHILDREN
Field
Operations
4130-0005**

FY'89 Appropriation: \$ 10,600,000*
FY'90 Funds Available: \$ 7,224,718
FY'91 Agency Maintenance Request: \$ 7,627,551
FY'91 House 1 No Tax Budget: \$ 6,880,203

*In FY'90, this account was divided into three accounts; 4130-0005, 4130-0006 and 4130-0007.

This account funds OFC's Licensing Division, Individual Kid Money (IKM), and administrative support for field operations. OFC currently licenses 14,724 out-of-home care settings for 153,131 children ages 18 years and under. These facilities include child care centers, private kindergartens and nursery schools, family day care homes, residential facilities, and temporary shelters. The account also funds the affordability scholarship program for moderate income families. In FY'90, the affordability scholarship program was reduced by 60 percent. House 1 eliminates the program entirely.

Over the past two years, the Licensing Division has seen a substantial increase in the number of child care programs that it is responsible for licensing and monitoring. At the same time, it is attempting to meet its responsibilities with a staff vacancy rate of 16.4 percent.

As of February 1, 1990, the Family Day Care (FDC) Program monitored and licensed 11,477 family day care homes, up from 9,270 homes in July of 1988. Because of vacancies, FDC licensors carry an average assignment of 478 homes, up from 390 in FY'89. OFC has not been able to carry out its policy which requires home visits prior to or within six months of licensure and once during the two year period of their license. In an attempt to cope with the increasing number of FDC applicants and focus more resources on visits, the Office recently increased the licensing renewal period from two to three years.

Also as of February 1, 1990, the Group Day Care (GDC) Program licensed 2,092 public and private child care centers. These centers care for 81,131 children. In addition, the School Age Child Care Program (SACC) monitors 607 centers. GDC licensors are responsible for an average of about 105 programs, SACC licensors for just over 100. During FY'89, GDC licensors reduced the backlog of expired licenses from 15 percent to ten percent, issued 896 licenses and investigated 359 complaints. However, already in FY'90, because of staff vacancies, the backlog of expired licenses has increased to 16 percent.

In addition, the Substitute Care (SC) Program licenses 265 public and private agencies which provide residential care for children, 57 temporary shelter services, 132 foster care placement agencies, and 87 adoption placement agencies. A total of ten SC licensors carry an average of 55 programs, as compared to 39 programs per licensor 18 months ago.

The Office maintains a \$200,000 retained revenue account from licensing fees. OFC had intended to use the retained revenue to hire additional licensors and reduce its licensing backlog. House 1 reduces the base by \$200,000 and requires OFC to keep one licensing position in five vacant.

House 1 also cuts Individual Kid Money (IKM). IKM funds for legal representation for those who do not meet the DLC contract requirements are cut 50 percent; only 32 children will be represented in FY'91. IKM funding to help families in crisis situations was sharply reduced from \$160,000 in FY'89 to \$60,000 in FY'90. This small fund is used to help families with grocery money until the next AFDC check, fuel money needed because of federal cut backs, or a month's rent to forestall eviction. House 1 continues IKM at this \$60,000 level.

In the past year, due to budget constraints, the Office has closed 13 field offices, sharply limiting local access to OFC programs.

SAC

Recommendation:

Support agency request.

**Day Care
Training
4130-0006**

FY'89 Appropriation: \$ 570,000*
FY'90 Funds Available: \$ 541,500
FY'91 Agency Maintenance Request: \$703,875
FY'91 House 1 No Tax Budget: \$ 515,040

*Incorporated in account 4130-0005 in FY'89.

This account provides training for family day care, school age and group day care workers. It pays for conferences, seminars, and early childhood education courses at public and private colleges. During FY'89, this program provided training for 16,500 child care workers, a 25 percent increase over FY'88.

The agency request builds in funding for the expected 40 percent increase in the cost of courses at private and public colleges. The House 1 recommendation is \$55,000 less than the original FY'90 funding level of \$570,000. This reduction plus the increase in cost will eliminate training opportunities for 1,000 child care workers in FY'91. Courses have always been filled to capacity. In FY'89, 1,256 applicants were turned away because there was no space available.

**SAC
Recommendation:**

Support the agency request.

**Child
Care
Resource
and
Referral
4130-0016**

FY'89 Appropriation: \$ 1,835,918
FY'90 Funds Available: \$ 1,792,650
FY'91 Agency Maintenance Request: \$ 1,809,706
FY'91 House 1 No Tax Budget: \$ 1,795,662

This account funds the statewide network of twelve child care resource and referral (CCR&R) agencies. A key recommendation of the day care partnership project, the CCR&R's helped more than 43,976 parents locate child care in FY'89. The agencies also work with local corporations interested in assisting their employees in making child care arrangements, provide technical assistance to prospective new providers, and provide day care worker training. CCR&R's now have contracts totaling nearly \$900,000 with approximately 100 businesses. In FY'89, CCR&R's answered 11,327 calls from providers requesting technical assistance.

In FY'90, cost-of-living increases were vetoed. The Budget Control Act reduced the account by an additional five percent. House 1 recommends \$14,044 less than OFC's maintenance request.

SAC

Recommendation:

Support agency request.
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DEPARTMENT
OF PUBLIC
WELFARE
Employment
and Training
(E.T.) and
Voucher
Day Care
4400-1009

FY'89 Appropriation: \$ 74,457,531
FY'90 Funds Available: \$ 78,853,409
FY'91 Agency Maintenance Request: \$ 78,831,102
FY'91 House 1 No Tax Budget: \$ 78,831,102

This account funds the E.T. Choices (ET) employment and training program and voucher day care. In FY'90, \$52.4M paid for child care, the remaining \$26.4M for job training.

E.T. is the state's voluntary job training program for AFDC recipients. The program has placed 71,000 AFDC recipients in jobs since it began in 1985. In FY'90, DPW expects to place 12,000 AFDC clients. During the first four years of the program, the AFDC caseload fell by 38 percent and the average length of a recipient's dependence on AFDC fell from 37 months to 28 months. Almost 60 percent of E.T. graduates have children who are under six years of age.

In FY'89, ET graduates earned an average annual wage of \$15,000 — an amount insufficient to allow graduates to pay the full cost of child care. For this reason, child care represents a key component of the program. Care is provided not only while the participant undergoes training but also for two years after entering the workforce. Recipients receive a voucher which the day care provider redeems. DPW provides vouchers for one year after graduation. After that, the administration prefers to place the children in day care centers that hold contracts with the Department of Social Services (4800-0060). DPW estimates that in FY'90, an average of 10,800 children per month will use day care vouchers.

FY'90 cuts have resulted in the elimination of "extended voucher" placements for most ET graduates and children have been moved to contracted slots as they open. If ET graduates are to stay in the labor force, the number of subsidized child care slots must be increased.

House 1 level funds this account. DPW has not determined how it will divide the funds among day care and job training. Cuts are likely to be necessary, because the cost of child care and training programs is expected to rise with inflation.

SAC
Recommendation: Support the agency request.
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DEPARTMENT
OF
SOCIAL
SERVICES
Day
Care
4800-0060

FY'89 Appropriation: \$ 96,925,259
FY'90 Funds Available: \$ 62,202,204
FY'91 Agency Maintenance Request: \$ 66,547,185
FY'91 House 1 No Tax Budget: \$ 45,663,113

This account provides funding for child care services provided by private agencies under contracts with DSS. As of January, 1990, DSS was providing services to 13,700 low income children, 4,000 children in need of protective day care, and 400 teen parents. Approximately 1,500 children were on waiting lists for protective child care in October of 1989, with another 7,000 on waiting lists for work-related care.

House 1 reduces funding in the current services budget by \$21M. According to the House 1 narrative, this will mean a reduction of 2,600 contracted slots and 3,000 extended day care vouchers set aside for E.T. graduates.

SAC
Recommendation: Fund the agency request.
.....

DEPARTMENT
OF
EDUCATION

Early
Childhood
Education
7030-1000

FY'89 Appropriation: \$ 10,000,000
FY'90 Funds Available: \$ 7,496,000
FY'91 Agency Maintenance Request: \$ 7,496,000
FY'91 House 1 No Tax Budget: \$ 7,400,000

This Chapter 188 program funds school districts to establish publicly run preschool, enhanced kindergarten, transition to first grade, and early childhood education programs. Seventy five percent of all funds are targeted to low income school districts. Providing early childhood education is identified by the Board of Education as a priority for the next several years; the Board hopes to provide universal early childhood education by FY'92. In FY'90, funding was reduced by 25 percent. In FY'90, the program will serve 12,780 children from 148 school districts; 3,000 children in preschool programs; 8,430 children in kindergarten programs; 830 children in extended day programs; 300 children in day care programs; and 220 children in transitional first grade. The program will serve 520 fewer children in FY'90 than in previous years. In addition, some communities eliminated transportation services, outreach, and curriculum and staff development. Several programs will close in March, 1990. House 1 level funds the program.

SAC

Recommendation:

Support the agency request to restore funding to the FY'89 level of \$10M.

Head
Start
7030-1500

FY'89 Appropriation: \$ 6,000,000
FY'90 Funds Available: \$ 6,000,000
FY'91 Agency Maintenance Request: \$ 6,000,000
FY'91 House 1 No Tax Budget: \$ 6,000,000

This account provides subsidies to federally funded Head Start programs to support salary increases and expansion of services. The program has been level funded for three years.

SAC

Recommendation:

Support House 1.
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**EXECUTIVE
OFFICE OF
ECONOMIC
AFFAIRS**

**Corporate
Child
Care
9000-0104**

FY'89 Appropriation: \$ 73,250
FY'90 Funds Available: \$ 23,655
FY'91 Agency Maintenance Request: \$ 23,655
FY'91 House 1 No Tax Budget: \$ 23,655

This account funds the Commonwealth's Corporate Child Care Project, a program which encourages businesses to invest in child care. In FY'89, some of these funds were awarded to CCR&R's to follow up on business contacts made by the Corporate Child Care Project, and develop materials to market child care to businesses. The current appropriation is inadequate to develop all needed materials and respond to every business interested in child care. Funding to CCR&R's has been discontinued.

SAC

Recommendation:

Restore account to its FY'88 base of \$100,000.

CHILD AND FAMILY SUPPORT SERVICES

The Department of Social Services is responsible for the care and protection of children who have been abused or neglected in Massachusetts. DSS also provides services for children and families with other problems which threaten their emotional well being. The service system for troubled children and families in Massachusetts is under severe stress because the number of people who need help is increasing rapidly while state funding for social programs is shrinking.

Rise in Child Abuse

Between calendar years 1983 and 1989, the number of children involved in abuse and neglect reports rose from 36,258 to 70,713, an increase of 95 percent. Between 1988 and 1989, the number of children reported rose 15 percent. In 1989, DSS investigators found reasonable cause to believe that at least 22,532 children had been abused or neglected — a 19 percent increase over 1988. During FY'89, DSS referred cases of severe sexual and physical abuse involving 2,619 children to district attorneys' offices for criminal investigations, a 19 percent increase over the previous year.

Increased Demand for Services

In December 1989, there were 8,455 children in foster care, a 20 percent increase over the past 18 months. DSS projects that the number of children in foster care will exceed 8,500 by the end of this fiscal year. An additional 1,552 children live in other types of supervised residences.

In the fall of 1989, over 1,500 children were on waiting lists for protective child care.

DSS provides services to teen parents through young parent programs. Between 1987 and 1988, the number of teen births in Massachusetts rose by six percent.

Child Deaths

In 1988, there were 68 child deaths known to DSS. In these cases, DSS has had prior contact with the child's family or has had no previous contact but receives a report after the child has died. In 1989, that figure rose to 83, a 22 percent increase. The increase was wholly attributable to an increase in infant deaths - 24 in 1988, 43 in 1989. In the first two months of 1989, 25 children known to DSS have died.

The Affect of Substance Abuse on Family Violence

Increases in family violence can be linked directly with drug and alcohol abuse. Of the 43 infant deaths in 1989, 22 were definitely preceded by drug and alcohol use during pregnancy and four others were possibly preceded by it. In 1989, DSS identified 353 children who were born addicted to opiate drugs, a 330 percent increase since 1984. A recent DSS study found that substance abuse was a contributing factor in 64 percent of all supported investigations of physical abuse, neglect, and emotional maltreatment in Boston. Statewide, the substance abuse factor was 59 percent.

DSS estimates that 5,000 of the babies born each year in Massachusetts are "drug affected" — born with a drug related problem. The increased prevalence of AIDS in children is directly attributable to intravenous drug use by the mother or her partner.

Project Protect

In response to the impact of drug and alcohol abuse on family violence, DSS has launched Project Protect. The Project is designed to assure greater protection for children who live in homes where substance abuse is known or suspected to be a problem. Under Project Protect, children are considered to be at substantial risk when a caretaker's behavior exposes them to unsafe, unhealthy, and dangerous conditions, even when physical evidence of harm is not present.

Essential elements of Project Protect include new case practice guidelines for social workers; increased cooperation with law enforcement agencies; specialized support services for social workers who deal with families who have substance abuse and/or violence problems; the development of new resources for these families; and public education on how substance abuse can affect family life. The Project was implemented statewide in January of 1990.

As part of Project Protect, DSS is designing a risk assessment matrix to help supervisors and social workers evaluate the danger to children in a particular situation and determine what services are needed. Some child advocates have raised concerns about the widespread use of an actuarial table in making clinical decisions.

The Department plans to move ahead on Project Protect. It has pledged to consult with child advocates and its own advisory boards as the effort progresses. In addition to careful application of the risk assessment matrix, the success of the project also depends upon DSS having sufficient services available for these and other families who are victims of domestic violence.

Resources Reallocated

More and more DSS resources are being diverted from child abuse prevention and community based services for troubled children into narrower and reactive child protection services. In FY'90, DSS will spend 34 percent of its resources on child care and child welfare services. The proposed budget for FY'91 targets only 26.5 percent of all resources for prevention and community based services.

CHINS Commission Report

The report of the Special Commission on Children in Need of Services (CHINS) documents the need for increased investment in prevention and community services. Each year in Massachusetts, 6,000 children who run away from home, are habitually truant from school, or who have other family-related problems are the subject of a CHINS petition. Under these petitions, the child is brought to court to force him or her to accept treatment or other social services. The Commission estimates that an additional 15,000 to 20,000 adolescents in Massachusetts have similar problems but do not end up in court.

Recommendations from the Commission stress the importance of early intervention and prevention services in meeting the basic needs of families with children. Investments in child care, prevention of abuse and neglect, non-court solutions to family and school problems, and school reform are all cost-effective solutions which keep teens out of trouble. As noted throughout the Children's Budget, these services are the ones most threatened by the state's fiscal crisis.

Families Count

The Executive Office of Human Services plans to implement a new initiative in FY'91, **Families Count**. The initiative will use existing resources to establish new in-home and community programs for children who have been abused and those with special needs, and for families who need help with other problems. **Families Count** will emphasize family preservation, recognizing that families are best able to provide a nurturing environment for rearing children. It will seek to build on child welfare research which demonstrates that prevention and family-based services are more effective than other methods of service delivery both in terms of cost and the quality of life that people achieve.

The program objectives of **Families Count** will include:

- Preventing foster care or residential placements whenever possible;
- Returning children home or to a community program as quickly as possible;
- Identifying at-risk families as quickly as possible, and developing appropriate service plans.

During its first year of operation **Families Count** home-based intervention teams will work with over 1,000 families in crisis. At the same time human service agencies and the Department of Education will work with a number of communities to develop in-home and community programs for children with special needs. The success of this initiative depends upon families having access to in-home and community-based services, such as parent aides, counseling, child care, and respite care.

Child Abuse Prevention

The Commonwealth has charged the Child Abuse Prevention Board with implementing **It's Never Too Soon: A Blueprint for Preventing Child Abuse by Strengthening Massachusetts Families**. The Board will seek to circumvent the current fiscal crisis by undertaking aggressive fundraising efforts to increase the resources available for child abuse prevention. In FY'91, the Trust Fund will also implement a "Partners in Prevention" initiative with the Office for Children and its statewide network of community-based volunteers (Councils for Children). The councils will establish a series of model community-based child abuse prevention programs. It is hoped that these model programs will establish a sound base upon which to build in future years to turn the tide against abuse in the 1990s.

The following DSS and OFC accounts provide support to troubled children and families.

**OFFICE
FOR
CHILDREN
Administration
4130-0001**

FY'89 Appropriation: \$ 1,447,962
FY'90 Funds Available: \$ 1,375,564
FY'91 Agency Maintenance Request: \$ 1,422,330
FY'91 House 1 No Tax Budget: \$ 1,337,875

This account funds OFC central office expenses and a contract with the Disability Law Center (DLC) that provides representation for individual children in special education appeals. In FY'89, legal representation was provided to 89 low-income special needs children who needed help in obtaining their special education entitlements. FY'90 budget cuts will limit to 81 the number of children represented through the DLC contract. The agency request would have maintained the DLC contract at the FY'90 level. Under the House 1 proposal only 60 families will be represented in FY'91.

**SAC
Recommendation:**

Support the agency request.

**OFFICE
FOR
CHILDREN
Community-
Based Child
Welfare
Services
4130-0007**

FY'89 Appropriation: \$ 0*
FY'90 Funds Available: \$ 1,962,605
FY'91 Agency Maintenance Request: \$ 2,035,900
FY'91 House 1 No Tax Budget: \$ 1,865,510

*In FY'89, this account was part of OFC account 4130-0005.

This account funds OFC's Help for Children (HFC) and Volunteers for Children (VFC) staff. Currently there is an 18 percent vacancy rate in HFC and a 35 percent vacancy rate in VFC which severely hampers OFC's ability to carry out program activities.

OFC's Help for Children (HFC) Program is the only statewide comprehensive information, referral, and advocacy program for Massachusetts children. HFC's locally based Child Welfare Specialists provide basic information and referral services, and short term case management services for children and families, while identifying the appropriate service agency. Child Welfare Specialists represent children before state human service agencies and local school systems. In FY'89, 49 percent of HFC's advocacy cases involved requests for help in changing or implementing a child's individual education plan under Chapter 766, the state's special education law.

During FY'89, OFC child welfare specialists responded to 63,624 requests for information or referral for some type of children's service. During the first five months of FY'90, requests increased by 740 over the same time period in FY'89, an indication that this service is needed now more than ever.

OFC's Volunteers for Children Program provides staff support, ongoing training, and technical assistance to OFC's 41 locally-based Councils for Children. State law requires councils to evaluate and monitor existing children's services, identify gaps in services, recommend priorities for new children's programs, and review and make recommendations on proposals submitted by local programs for state and federal funding for children's services. OFC's 2,500 active council members include parents, students, teachers, social workers, business leaders, health care professionals, attorneys, and elected officials. Together these child advocates gave nearly 100,000 volunteer hours to the Commonwealth's children in FY'89. This year, the Councils have launched a statewide initiative to respond to the rapid increase in child abuse reports. The Volunteers for Children Program will develop model volunteer child abuse prevention programs.

At the beginning of FY'90, this account paid for 75 full time staff. The Budget Control Act reduced that number to 66. To maintain the integrity of these programs, OFC must hire new staff and secure a maintenance request that will allow the agency 68 staff in this account in FY'91. House 1 would require OFC to reduce staffing to 62 full time positions in FY'91 and will result in a vacancy rate of 17 percent in community-based child welfare services.

SAC

Recommendation:

Support the agency request.

**Children's
Trust
Fund
4130-0002**

FY'89 Appropriation: \$ 150,000
FY'90 Funds Available: \$ 142,500
FY'91 Agency Maintenance Request: \$ 150,000
FY'91 House 1 No Tax Budget: \$ 142,500

The Children's Trust Fund and Massachusetts Child Abuse Prevention Board began operating at the Office for Children in FY'89. The Board, which is appointed by the Governor, is authorized to raise and spend funds from public and private sources. The Trust Fund's initial mandate is described in a report issued by EOHS and the Special Commission on Violence Against Children, **It's Never Too Soon: A Blueprint for Preventing Child Abuse by Strengthening Massachusetts Families**. The comprehensive report includes

recommendations that target six different sectors in the community — neighborhood institutions, schools, health care practitioners, social service providers, courts, and the workplace. To circumvent the state's fiscal problems, the Board will undertake an aggressive fundraising campaign on behalf of the Children's Trust Fund. In turn, the Trust Fund will finance community-based prevention programs. During FY'90, the Board has raised \$111,000 in private contributions and received \$30,400 in federal funds.

In FY'90, the state appropriation to the Trust Fund was used to fund two programs which provide child sexual abuse prevention instruction in school settings, with the balance defraying some of the costs of administration. Using a grant from Digital Equipment Corporation, the Trust Fund will provide materials and training for school systems to bring the curriculum, **Kids and Company, Together For Safety**, to children in kindergarten through grade six. Kids and Company teaches children personal safety skills. The Board will also oversee a community education campaign and work with the Office's citizen volunteers to set up a statewide network of family support programs.

House 1 carries the FY'90 budget into FY'91.

SAC

Recommendation:

Support the agency request.
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**DEPARTMENT OF
SOCIAL
SERVICES**

**Permanency
Services
4800-0020**

FY'89 Appropriation: \$ 19,908,250
FY'90 Funds Available: \$ 21,751,602
FY'91 Agency Maintenance Request: \$ 25,508,625
FY'91 House 1 No Tax Budget: \$ 25,350,129

This account funds administration and implementation of DSS adoption services including adoption subsidies, guardianships, partnership agency services — home-finding, case management, placement, information and referral, and funding for the 24-hour Child At-Risk Hotline. Adoption is the last of a series of service plans, designed to establish a permanent living arrangement for a child who has been abused or has special needs

and cannot return to his/her biological family. Adoption subsidies are provided for children with "special needs". Those children may be disabled, members of a minority community, mixed race, or older. In FY'90, adoptive parents received no rate increase. DSS projects that the FY'90 adoption/guardianship case-load will reach 4,009 by the end of the fiscal year. The agency projects a caseload of 4,560 by the end of FY'91. The FY'90 budget for adoption subsidies is in deficit by \$1.2M. Without a deficiency appropriation, subsidies will run out in the late spring.

SAC

Recommendation: Support the agency request.

**Foster
Care
Review
4800-0025**

FY'89 Appropriation: \$ 2,273,588
FY'90 Funds Available: \$ 2,240,780
FY'91 Agency Maintenance Request: \$ 1,968,173
FY'91 House 1 No Tax Budget: \$ 1,968,173

This program reviews the cases of all children in foster or residential care in the state. The reviews are required by law every six months. Review panels include three members — a staff reviewer, a DSS direct care worker, and a volunteer. The reviews assess individual services received by the child and progress toward reunification with the natural family. The program projects no deficit in FY'90 or FY'91.

SAC

Recommendation: Support House 1.

**Foster
Care
4800-0030**

FY'89 Appropriation: \$ (funded in separate acc't.)
FY'90 Funds Available: \$ 38,100,000
FY'91 Agency Maintenance Request: \$ 46,858,962
FY'91 House 1 No Tax Budget: \$ 46,858,962

This account funds all DSS foster care services including reimbursements to foster parents, clothing allowances, extraordinary expenses, and training. From FY'88 to FY'89 foster care placements increased 11 percent. Foster care reimbursement rates did not increase in FY'90. DSS estimates that 8,520 children will be in foster care by the end of FY'90, and 9,669 by the end of FY'91. This account is in deficit by \$8.073M in FY'90.

Under the House 1 proposal, reimbursement rates will not increase nor is the cost of the projected caseload fully funded. Without an increased appropriation in FY'91, hundreds of children who need a foster care placement will go without one or the account will face a deficit of \$5M.

SAC

Recommendation: Support the agency request.

**Group Care
4800-0041**

FY'89 Appropriation: \$ *
FY'90 Funds Available: \$ 59,400,000
FY'91 Agency Maintenance Request: \$ 64,438,695
FY'91 House 1 No Tax Budget: \$ 59,473,550

*In FY'89, group care placements were funded through the Regional Direct Services account, 4800-0200.

This account was created in FY'90 to fund DSS group care placements and six short term residential diagnostic and treatment centers for troubled adolescents. DSS projects that the caseload will stand at 1,710 at the end of FY'90. The program is in deficit in FY'90 by \$7,461,117. The agency request is a maintenance budget which does not provide for a rate increase for private schools which accept children placed by DSS. House 1 is insufficient to fund the projected FY'91 caseload of 1,830.

SAC

Recommendation: Support agency request.

**Area
Based
Direct
Services
4800-0250**

FY'89 Appropriation: \$ 0*
FY'90 Funds Available: \$ 67,399,051
FY'91 Agency Maintenance Request: \$ 71,011,865
FY'91 House 1 No Tax Budget: \$ 66,912,657

*This is a new account in FY'90. In FY'89, activities covered by the account were funded in 4800-0200.

This account, as well as funds from retained revenues, the federal social services block grant, and the public/private partnership account funds DSS direct services excluding foster, group care and

child care. The services provided include comprehensive emergency services, case management, community residential services, counseling, family planning, mediation, parent aides, emergency shelter and transition to independent living, as well as funding for over 1,879 DSS social workers. During FY'90, contracted services provided through this account were reduced on two occasions. During the summer, because the Governor vetoed or withheld almost \$8M from this account, open referral contracts were reduced 35 percent. Open referral contracts include battered women's services, young parent programs, and family planning. In January, in order to implement a spending reduction ordered by the administration, all contracts were reduced by an average of five percent.

House 1 makes further reductions in direct services. Open referral services are eliminated for a savings of \$7.1M. In addition to reductions in counseling and treatment services for troubled families, this will mean the termination of 35 young parent programs which provide parent education and counseling to over 1,500 teen mothers. Pregnancy prevention services to over 4,000 teens will also be lost. Closed referral services will be cut by 25 percent in FY'91 for a savings of \$6.2 million. These programs provide clinical, sexual abuse prevention, and intensive family intervention services; and are available only to families and children who are referred by a DSS social worker. These contract reductions are spread across this account and account 4800-1040.

House 1 also freezes the number of social workers at the current number. DSS needs to hire an additional 70 social workers.

SAC

Recommendation: Fund the agency request.

**Public/Private
Partnership
Services
4800-1040**

FY'89 Appropriation: \$ 14,050,764
FY'90 Funds Available: \$ 14,036,624
FY'91 Agency Maintenance Request: \$ 11,422,935
FY'91 House 1 No Tax Budget: \$ 6,804,422

The public/private partnership program includes the same array of services described in account 4800-0250. For these programs, DSS matches a 25 percent contribution from a municipal government or private entity with a 75 percent share of the costs. The services provided in this account are reduced in House 1 in accordance with the reduction described in the preceding account description.

SAC

Recommendation: Support agency request.

CHILD HEALTH, NUTRITION AND SAFETY

Massachusetts has a reputation for adopting progressive policies and programs to protect and improve the health of its children. A pioneer in universal immunization programs to prevent life-threatening childhood diseases, the Commonwealth recently created an innovative program - Healthy Start - to guarantee access to prenatal care for low-income pregnant women, amended its lead poisoning prevention laws to step up activities to remove lead from housing stock and identify poisoned children, was the first state to supplement the federal Women, Infants, and Children (WIC) food supplement program, and passed the nation's first universal health care law. The fiscal crisis has endangered these important initiatives to improve the health of Massachusetts children.

Health Care For All

In 1988, the Legislature enacted Chapter 23, the Health Security Act, which committed the Commonwealth to making health insurance available to uninsured Massachusetts citizens. In FY'89, the first steps were taken to implement the CommonHealth Program. So far, about 110,000 people have been insured. This leaves approximately 490,000 individuals uninsured, an estimated one-third of whom are children. During the spring of 1990, the Department of Medical Security (DMS) will initiate five pilot programs which will provide health insurance for an additional 10,000 to 12,000 people.

Health Security in Massachusetts

Category Name	Cumulative Enrollment, Feb. 16, 1990
Welfare to Work	12,130
Disabled Adults & Children	2,218
Pregnant Women	31,000
College Students	60,000
Center Care	5,844
Total:	111,192

Child Health Indicators

The 1988 advance birth data released in late 1989 by the state Department of Public Health (DPH) show some alarming trends. The percentage of women who receive adequate prenatal care fell from about 82 percent in 1980 to about 78.8 percent in 1988. Statewide, almost 48 percent of teen mothers did not receive adequate care in 1988. Teens are two times less likely to receive adequate prenatal care than women over 19 years of age.

Across Massachusetts teenagers gave birth to 7,013 babies in 1988. The teen birth rate rose from 32 births per 1,000 women in 1987 to 34.3 births per 1,000 in 1988, an increase of 7.5 percent in one year, following a six percent increase between 1986 and 1987. Despite this, pregnancy prevention efforts in Massachusetts have been reduced. In FY'90, family planning programs funded by DSS were cut 35 percent affecting 2,000 teens. The program is eliminated in the proposed FY'91 budget. The Teen Pregnancy Prevention Challenge Fund was reduced by five percent in FY'90 and is cut an additional five percent in House 1. Thirteen of the original 18 targeted communities have never received more than planning funds. House 1 will provide program grants to no more than one or two additional communities.

In 1988, 5,266 babies were born at low birthweights (less than 5.5 pounds). This was a 9.5 percent increase over 1987, when 4,807 low birthweight babies were born. Between 1980 and 1988, the birth rate for low birthweight babies has remained constant at 6.0 per 1,000 births. These small babies are more likely to have health problems.

The infant mortality rate in Massachusetts rose from 7.2 per 1,000 births in 1987 to 7.9 per 1,000 births in 1988, a nine percent increase in one year. The rate for Black babies was 17.2 per 1,000, remaining 2 1/2 times the statewide average. House 1 eliminates funds within the Healthy Start account for outreach to communities with high infant mortality and low birthweight rates and underestimates the FY'91 caseload by 200.

AIDS and Children

State health officials estimate that 113 children will require treatment for AIDS in FY'91 — more than double the number of children now under treatment. Between 500 and 600 children in Massachusetts are believed to carry HIV, the virus that causes AIDS. DSS currently refers one child per week who is infected with HIV for foster care or other support services. That agency estimates the cost of the services it provides for children with AIDS will reach \$2.8M in FY'91. As the number of children with AIDS increases, the strain on services systems — those that provide respite, health care, foster care and group care, and child care — will become more severe.

Lead Poisoning Prevention

In Massachusetts fewer than half of all children under six years of age are tested for lead poisoning — 46 percent were tested in FY'89. Over the past three years, 1,021 children per year were diagnosed as lead poisoned in the state. Lead poisoning can cause permanent brain damage.

It is estimated that more than one million homes and apartments in Massachusetts contain lead paint. Programs to help homeowners and tenants with the cost of removing lead paint which were specified in the 1987 lead poisoning prevention act, have never been funded.

Getting Babies Off to a Good Start

Several public health programs intended to ensure that babies are born healthy and thrive during their early years are facing budget pressure. The Women, Infants and Children (WIC) food program has never served more than half of the eligible mothers, pregnant women and young children. After reaching a high of 77,068 participants in the spring of 1989, the caseload declined to 73,850 in FY'90. A level funded budget in House 1 and inflationary increases in the cost of food will decrease the number of clients served by 250 in FY'91. DPH's nutrition hotline, which assisted 18,000 callers in FY'89, has been eliminated. National studies estimate that every dollar spent on WIC saves \$3.00 on more costly health care services later in life.

DPH's Early Intervention Program, which provides therapy and instruction to children with disabilities aged birth to three years, serves 7,000 annually. It is estimated that 20,000 children in Massachusetts are eligible. DPH maintains a waiting list for this program of 1,200 children — more than double what it was in FY'89.

The Failure to Thrive program provides pediatric outpatient services to children who are severely underweight. The waiting period varies among the eight sites, but is two months at Boston City Hospital, the largest of these programs.

Medicaid

The Medicaid program provides health insurance to 280,000 children from low-income families. Children and their families make up 65 percent of the caseload, but account for less than 25 percent of the program's total expenditures.

House 1 includes a number of cost-saving proposals which will eliminate or restrict services to children. Services to be eliminated include:

- Chiropractors;
- Non-hospital lab & radiology;
- Vision tests;
- Inpatient psychiatric care for young people under 21;
- Psychiatric day treatment;
- Physical, occupational, and speech therapy;
- Specialized ancillary services; and
- Podiatry.

Reimbursement for over-the-counter drugs and transportation to medical services will be further restricted. The Governor has pledged to file an amendment to House 1 restoring Medicaid reimbursement for psychiatric patients under 21, but has not done so as of mid-March.

The following accounts protect the health of Massachusetts children.

**OFFICE
FOR
CHILDREN
Teen
Pregnancy
Prevention
Challenge
Fund
4130-0720**

FY'89 Appropriation: \$ 1,320,295
FY'90 Funds Available: \$ 1,313,637
FY'91 Agency Maintenance Request: \$ 1,321,637
FY'91 House 1 No Tax Budget: \$ 1,214,000

The Teen Pregnancy Prevention Challenge Fund helps communities with high teen birth rates develop and implement plans to prevent teen-age pregnancy. This year, five communities are implementing pregnancy prevention programs. They are Springfield, Holyoke, Chelsea, Fall River and Lawrence. Another 13 communities received grants to develop action plans.

House 1 transfers the fund to OFC and reduces funding by eight percent.

In FY'91, OFC will seek bids for implementation and planning grants. All communities will compete for implementation grants which are expected to range between \$100,000 to \$300,000. At House 1 funding levels, grants will be awarded to six or seven communities.

SAC

Recommendation:

Increase funding to \$3.5M to ensure that all 18 communities involved in the Challenge Fund are able to implement local teen pregnancy prevention plans.

**DEPARTMENT
OF
PUBLIC
WELFARE
Disabled Adults
and Children
Medical Care
and
Assistance
4400-4000**

FY'89 Appropriation: \$ 8,000,000
FY'90 Funds Available: \$ 3,500,000*
FY'91 Agency Maintenance Request: \$ 13,162,064
FY'91 House 1 No Tax Budget: \$ 10,362,064

*This account ran out of funds on February 10, 1990.

An emergency supplemental budget request for \$1.6M has been filed to keep the program going through May 1, 1990. If this is not passed, disabled adults will be notified that they are no longer covered by the program.

CommonHealth is a new program developed in FY'89 as part of the state's new universal health care law. CommonHealth provides health insurance coverage to four populations: families with children who have left AFDC for employment, pregnant women and young children, disabled adults who would like to work but cannot afford to lose Medicaid coverage, and disabled children who are not eligible for Medicaid.

This account funds coverage for disabled adults and children; the Welfare to Work population and pregnant women and children receive coverage through Medicaid.

Parents of disabled children may purchase full or supplemental health insurance for their disabled child on a sliding fee basis. During the first year, fewer disabled adults and children enrolled in the program than expected. It was estimated that 1,000 disabled children and 2,000 disabled adults would participate. Enrollment as of February, 1989,

was only 174 children and about 329 adults. The rate of enrollment has increased in FY'90. As of January, 1990, there were 700 children and 1,200 adults enrolled. It is expected that total enrollment will reach 2,500 by June 30, 1990 — 850 of these enrollees will be children. For children to be eligible, they must meet the relatively restrictive federal standard for disability. Many children with serious medical problems do not qualify.

Although \$8M was appropriated in FY'89, it was not spent because the caseload did not reach the original projections. The final FY'90 appropriation for this account was \$3.5M. However, the caseload has grown substantially and EOHS expects actual FY'90 spending to reach \$6.3M by June 30, 1990.

DPW's FY'91 request funds the current caseload and those expected to enroll in FY'91. House 1 projects a 64 percent growth over estimated FY'90 expenses to annualize the cost of clients receiving CommonHealth insurance benefits in FY'90.

In the face of the budget crisis, the administration does not feel able to continue expansion in the CommonHealth program. For FY'91, House 1 proposes to close intake for disabled adults and children. No new disabled children or adults will be able to enroll in CommonHealth after July 1, 1990. If intake is not closed, EOHS estimates that the cost of CommonHealth would be \$2.8 million higher than the \$10.36 million proposed in House 1.

SAC

Recommendation:

Support the agency request.

Medicaid 4402-5000

FY'89 Appropriation: \$ 1,877,000,000*

FY'90 Funds Available: \$ 2,125,000,000*

FY'91 Agency Maintenance Request: \$ 2,823,850,000*

FY'91 House 1 No Tax Budget: \$ 2,089,350,000*

*These account levels reflect retained revenue plus actual or expected expenses. DPW currently projects a \$233 million deficit for FY'90. In FY'89, Medicaid was divided into eleven different accounts. In FY'90, there are three accounts although DPW treats them as one account in practice. For FY'91, there is one general Medicaid account.

The Medical Assistance Program (Medicaid) is a state administered, state and federally-funded medical program for financially and medically eligible families and individuals. Massachusetts is reimbursed by the federal government for 50 percent of its Medicaid expenditures. Payments are forwarded directly to over 28,000 health care providers. There are over 290,000 cases and 495,000 people enrolled in the Medicaid program each month.

While this is the largest single item in the state budget, nearly one-third of the Medicaid caseload are elderly, disabled or low-income families who do not receive any form of cash assistance. The majority of these "medically needy spend down cases" are elderly and disabled patients, many of whom are in nursing homes or chronic disease and rehabilitation hospitals. The cost of care for elderly and disabled accounts totals over 76 percent of all Medicaid expenditures.

Children and families make up 65 percent of the caseload, but account for less than 25 percent of Medicaid expenditures, mainly because they routinely use less costly outpatient care and short term acute hospital inpatient services. The annual average cost for medical care for an AFDC family is \$4,000, or about \$1,408 per person; the average annual cost for an elderly case is \$15,120. In FY'89, 280,000 poor children were covered by Medicaid. The Medicaid caseload has expanded to cover pregnant women and children under one year of age with family incomes up to 185 percent of the federal poverty level.

Beginning in FY'88, the Kaileigh Mulligan program enabled families with severely disabled children to care for their children at home and still receive Medicaid. At least 168 children have enrolled in this program since November, 1987.

Because of recent federal eligibility changes that will go into effect on April 1, 1990, the number of children enrolled in Medicaid will increase. Children between one and six years of age with family incomes up to 133 percent of the federal poverty level will be covered. Medicaid currently covers children between one and five years of age with family incomes up to 100 percent of poverty. DPW estimates that 5,200 new Massachusetts children will be eligible for Medicaid under the new guidelines. For instance, a family of three with an income of \$13,374 will be eligible. On April 1, 1990, prevention services to eligible children under age 21 will also expand. The early periodic screening, diagnosis and treatment program now covers physical and mental health screening, vision, dental and hearing services. In addition, if a condition is disclosed during a full or partial screening, all items and services required to treat the condition must be paid for if allowed under the federal Medicaid law even if the state plan does not include these services.

As in past years, the Medicaid account is in deficit. This year DPW projects a \$233M deficit; the account could run out of funds by May. To prevent this, DPW has begun to slow down payments to vendors and is filing a supplemental budget request.

House 1 contains several cost-saving proposals which would have a serious effect on families and children. Because historically Massachusetts has chosen to expand Medicaid options to fund programs which had previously been funded entirely through state funds, some of the proposals would actually cost the state more money.

In FY'89, 280,000 children were covered by Medicaid. House 1 proposes to eliminate or restrict certain services. Services to be eliminated are: chiropractors, non-hospital lab and radiology, vision tests, inpatient psychiatric care for young people under age 21, psychiatric day treatment, physical, occupational and speech therapy, specialized ancillary services, and podiatry. Services to be restricted are: over-the-counter drugs, Intermediate Care Facility medication and transportation to optional services.

The House 1 proposal to eliminate the Psych under 21 program, which funds inpatient psychiatric hospital stays in private and state run programs for seriously disturbed children and adolescents, will cost the state money. The state would lose \$10.8M in federal revenue and DMH would incur costs totaling \$12.5M as compared to the \$4M currently spent by DPW. Because the Department of Mental Health must comply with Executive Order 244, which prohibits placing children on adult wards of state hospitals, all of its existing resources would be used up for inpatient, residential and emergency services. Because of pressure from advocates, both the Governor and the Secretary of Human Services have agreed to withdraw the proposal to eliminate Psych Under 21 and to exempt children from the proposal to eliminate psychiatric day treatment. However, the technical amendments to correct these problems had not been filed in mid-March.

The elimination of certain optional services will have a serious effect on children. Optional services include children's dental services, emergency hospital services, rehabilitation services and prosthetic devices. Under the House 1 proposal speech, occupational therapy and physical therapy would be eliminated. Doing away with Medicaid reimbursement for these specific services may increase costs to local school systems for speech, occupational and physical therapy, some of which are currently funded through Medicaid and other third party insurance plans.

Proposals for managed care and limitations on outpatient mental health visits will also affect young children, and their families. DPW is considering tighter restrictions on outpatient psychiatric services. Only the most seriously mentally ill could receive services in excess of the standard limits placed on the number of visits allowed.

At present DPW is planning to keep the current system for young people up to age 19 which allows up to 17 visits per year without prior approval.

House 1 proposes to save money by reducing the state's contribution to the personal needs allowance of individuals in nursing homes. This would reduce the month allowance from \$72 to \$35. There are approximately 250 children in pediatric nursing homes. Since Supplemental Security Income (SSI) benefits go to the nursing homes, the personal needs allowance is all nursing home residents have to pay for clothing, shoes, toiletries, books and magazines.

With federal Medicaid changes, it is unclear whether DPW will be able to implement some of the savings proposals that relate to children, especially those relating to restrictions in optional services. Some savings proposals already require changes in state law.

SAC

Recommendation:

Support the agency request; oppose changes that would restrict services to poor children and families.

**General
Relief
Health Plan
4406-5000**

FY'89 Appropriation: \$ 21,000,000
FY'90 Funds Available: \$ 21,000,000*
FY'91 agency Maintenance Request: \$ 63,059,500
FY'91 House 1 No Tax Budget: \$ 33,633,500

*There currently is an \$11M to \$12M deficit in this account. Expenses for FY'90 are projected at \$34M.

In FY'85, medical care for General Relief recipients was extended so that a comprehensive range of in-patient and out-patient care was available. The General Relief Health plan pays for ambulatory care, certain physician services, outpatient methadone treatment, and specialized health care programs for the homeless. Hospital care is covered through the uncompensated care pool under an agreement with acute care hospitals. Mental health services are provided through an agreement with the Department of Mental Health, for the most part without cost to this account.

Health teams provide care at shelters. Since 1986, ten program sites around the state arrange for health care services, and enroll homeless people in the General Relief program. A Robert Wood Johnson Foundation grant has also created a 20-bed respite unit at the Lemuel Shattuck Hospital, at which homeless people can recuperate after discharge from an acute hospital.

While most General Relief health recipients are individuals, there are 2,500 families with children who receive health care under this plan. Some are children of undocumented immigrants; some are teen parents. If the House 1 proposal to drop undocumented immigrants from General Relief benefits is adopted, between 500 and 700 children will lose their health care benefits. Emergency hospital treatment would be available, but preventive health care would be eliminated.

As part of the universal health care law, the state was expected to start picking up the hospital costs of General Relief clients. Those costs are currently reimbursed by the free care pool. If hospital costs are included, this line item would require \$63M to remain solvent. The

House 1 recommendation funds maintenance for out-patient services. General Relief hospitalization remains in the free care pool for lack of funds.

SAC

Recommendation:

Support the agency request.

**DEPARTMENT OF
PUBLIC HEALTH**

**Community
Health
Centers
4510-0110**

FY'89 Appropriation: \$ 1,474,752

FY'90 Funds Available: \$ 1,261,252

FY'91 Agency Maintenance Request: \$ 1,257,264

FY'91 House 1 No Tax Budget: \$ 1,525,789*

*The Health Promotion account (4510-0103) is merged with this account. The actual FY'91 House 1 recommendation for community health centers is \$1,254,101. The balance reflects health promotion funding.

Operational grants are awarded to community health centers to provide primary care (obstetrics and gynecology, adolescent/pediatrics, and adult medicine), dental health, and social services and to cover some administrative costs for the health centers.

In FY'89, 41 community health centers received grants, but at a level 11 percent lower than those awarded in the previous fiscal year. In FY'88, 29,000 patient visits were funded through these grants; in FY'89 the number of patient visits dropped to 25,000.

In FY'90, Community Health Centers sustained a total budget reduction of 14 percent. House 1 merges the Health Promotion account with the Community Health Center account and underfunds maintenance. Cuts sustained in prior years are carried into FY'91.

SAC

Recommendation:

Fund maintenance for this merged account by increasing funding to \$1,528,952.

**Environmental
Health
4510-0600**

FY'89 Appropriation: \$ 3,422,134
FY'90 Funds Available: \$ 2,945,046
FY'91 Agency Maintenance Request: \$ 3,110,362
FY'91 House 1 No Tax Budget: \$ 2,905,064

The Bureau of Environmental Health uses both federal and state funds to support four divisions: Food and Drugs, Community Sanitation, Radiation Control and Childhood Lead Poisoning Prevention. In partnership with other state, local, and federal agencies, the Bureau monitors environmental hazards and their effect on health. About 30 percent of this account funds the Childhood Lead Poisoning Prevention Program (CLPPP).

In Massachusetts, fewer than half of all children under six years of age are tested for lead poisoning - 45 percent were tested in FY'87 and 46 percent in FY'89. Over the past three years, an average of 1,021 children per year were diagnosed as lead poisoned in Massachusetts. Lead poisoning can cause permanent brain damage. More than one million homes and apartments in Massachusetts contain lead paint.

CLPPP prioritizes inspecting the homes of children who are diagnosed as lead poisoned. While the number of inspections increased by 33 percent from FY'88 to FY'89, the number of units deleaded by property owners as a result of state inspections declined. Of the 669 initial inspections completed in FY'89, 350 involved poisoned children, 68 were inspections of day care centers and 38 were performed at the request of parents. As a result of state inspections, 407 units were deleaded by property owners last year; more than half after children were poisoned. In FY'88, 477 units were deleaded as a result of state inspections.

Deleading is expensive and, therefore, difficult for low-income property owners to afford. However, the Crisis Intervention Program, which offers immediate and complete deleading to low-income property owners in cases of serious poisoning, closed intake on July 1, 1989, because there were no funds. Between January, 1985 and July 1, 1989, 37 homes of high-risk lead-poisoned children were deleaded; 75 families had applied.

In FY'90, this account was reduced by \$114,394 resulting in an overall decrease of 17.5 staff positions. All of the environmental programs were effected. The Rodent Control Program was eliminated, lead inspections decreased, and nuclear power plant monitoring reduced. However, the Division of Food and Drugs was most affected with the loss of seven positions. Consequently, its capability to provide state-wide Food and Drug inspections was severely diminished.

House 1 merges the low level waste account (4510-0602) and the Lead Bill Expansion account (4510-0611) into this account. The Governor's FY'91 recommendation is \$208,131 lower than the

Department's request and lowers the Lead Program's retained revenue ceiling from \$310,000 to \$200,000 which will hamper the Division's flexibility to fully implement the Lead Bill.

SAC

Recommendation:

Restore the base by funding this merged account at \$3,277,452.

AIDS

4512-0103

FY'89 Appropriation: \$ 14,618,020

FY'90 Funds Available: \$ 18,518,772

FY'91 Agency Maintenance Request: 19,597,571

FY'91 House 1 No Tax Budget: \$ 19,464,145

The AIDS (Acquired Immune Deficiency Syndrome) Program supports research, testing and counseling services, public education activities, community health and home care services, treatment for patients in need of long term care, and efforts to prevent the spread of the disease among high-risk populations.

An estimated 30,000 residents of Massachusetts are infected with the AIDS virus. Of the 2,794 AIDS cases diagnosed in Massachusetts as of December 31, 1989, over half have died. Approximately 11 percent of all AIDS cases diagnosed in Massachusetts are women. Overall, the number of individuals infected with AIDS has increased significantly. According to DPH statistics, Massachusetts currently has the ninth largest number of AIDS cases in the nation. During the year September, 1987 to September, 1988, Massachusetts ranked eleventh in the nation.

There are currently 62 recorded AIDS cases in Massachusetts involving children 13 years of age and under; another 15 cases involve adolescents 13 to 19 years of age. These children have serious symptoms and meet the federal government's strict guidelines for diagnosis. DPH is developing a data base on Massachusetts children who are known to carry HIV (human immunodeficiency virus), the organism that causes AIDS. So far 237 children have been enrolled in the data base. Of these, 90 exhibit symptoms of AIDS. Experts believe that this number is low and that as many as 500 Massachusetts children may be HIV positive. DSS currently refers one child per week who is HIV infected for foster care or other support services.

While the number of reported pediatric AIDS cases remains relatively small, the prevalence of HIV infection in childbearing women presages an increase in pediatric cases in the near future. The vast majority of women with AIDS are in their peak childbearing years; 78 percent are between 13 and 39 years of age. Epidemiologic analysis of AIDS

cases in women and children shows that many HIV infected infants will be children of color, and will be born to IV drug using mothers. Between November 1987 and November 1988, 247 new mothers tested HIV positive.

There has been an increase in the proportion of AIDS cases involving adult women over the past six years. In 1983, 2.2 percent of AIDS cases were women. At present, 11 percent of all AIDS cases are women.

The increase in sexually transmitted diseases in adolescent females, particularly minority females is an index of increasing high-risk heterosexual activity. One in seven teens contracts a sexually transmitted disease annually.

In FY'90, the AIDS account was cut by \$1.48M which limited service coordination for people with AIDS. Helping people with AIDS get the medical and support services they need in their communities prevents lengthy hospital stays and keeps Medicaid costs down.

The House 1 budget is \$233,411 less than DPH estimates is needed to support the current level of services in FY'91. Additional funds are needed if the program is to have the resources to continue to fight the AIDS epidemic. Vacancies for direct care at the Shattuck Hospital's AIDS Unit must be refilled. Additional counseling and testing staff are needed at the State Laboratory and other test sites. Currently, two of the AIDS testing sites have waiting periods of over one month. The expansion of counseling and testing sites funded by the federal government requires matching state dollars. Without an increase in the House 1 budget, expansion will be delayed.

With the dramatic increase in AIDS cases, advocates want funding to increase at the same rate as the caseload. Of particular concern is the increase in the number of children with AIDS. As many as 50 percent of HIV infected children will need foster care or group care placements because their parents are intravenous drug users or too sick to take care of them. DSS resources are already strained. Respite, training, support and service coordination are needed.

SAC

Recommendation:

Support the agency request.

**Substance
Abuse
Services
4512-0200**

FY'89 Appropriation: \$ 38,728,528
FY'90 Funds Available: \$ 38,514,762
FY'91 Agency Maintenance Request: \$ 38,237,829
FY'91 House 1 No Tax Budget: \$ 38,237,829

This account funds DPH's Division of Substance Abuse. The Division funds alcohol and drug abuse prevention and rehabilitation programs through a combination of federal and state funds. Approximately 14 percent of DPH substance abuse programs serve youth. These services include:

- seven residential treatment centers,
- eight primary prevention centers,
- funding for youth seen in adult drug and alcohol programs,
- 43 separate youth intervention programs

In FY'89, the seven residential treatment centers admitted 443 youth, 100 fewer than the previous fiscal year. Youth may wait up to two months for admission to a residential program. Outpatient programs provided primary treatment to 2,446 young people age 19 and under in FY'89 — 93 more than were seen the previous year. There were no new youth programs added in FY'89 or FY'90.

During FY'90, the Substance Abuse account was reduced by \$340,586, with \$300,678 of the reduction in purchase of services contracts. As a result, the Division was unable to fund two badly needed detoxification programs.

The House 1 recommendation for FY'91 annualizes these cuts. DPH estimates that \$300,000 more is needed to maintain the current level of services.

SAC

Recommendation:

Restore \$300,000 to support current services.

**Family
Health
Program
4513-1000**

FY'89 Appropriation: \$ 21,578,409
FY'90 Funds Available: \$ 19,021,079
FY'91 Agency Maintenance Request: \$ 18,972,931
FY'91 House 1 No Tax Budget: \$ 18,752,307

This account funds the majority of programs within the Department's Bureau of Parent, Child and Adolescent Health Programs as well as Women's Health, Poison Control, Rape Prevention, and Suicide Intervention. The Bureau works to promote the health of women and children and support their families through Perinatal, Early Childhood and School Age and Adolescent Health Programs for both the broad maternal and child health population and children with special health

needs. The Bureau also funds a Policy Office, an Office of Statistics and Evaluation and an Office for Children with Special Health Care Needs. In an effort to reach those at greatest risk, the Bureau targets all its federal and state resources to low-income and special needs individuals, and to high-need areas of the state.

The Bureau supports therapeutic and preventive services to handicapped children and their families in an integrated and coordinated manner through its Office for Children with Special Health Care Needs. Community services include case management, the Medical Review Team, in-home health care, pediatric nursing homes, adaptive housing services and three community-based residential programs for multiply handicapped children. The Early Childhood Development Unit provides early intervention programs and developmental day programs.

This account has seen major cuts over the past two years. In FY'89, over \$1M was frozen. Early Intervention Program expansion was delayed affecting 300 children; the pilot for a regional early intervention program for deaf children was not implemented; and health services for parents and adolescents were frozen at the FY'86 level. In addition, DPH had to absorb a \$2.1M deficit in this account by reducing contracts, cutting program support costs, and delaying staff hiring.

In FY'90, the cuts continued. The Governor vetoed and froze over \$1.2M. The legislature cut another \$232,283 last fall. As a result, handicapped children's clinics which provided direct health care services to 4,000 children with serious medical needs closed on October 1, 1989, with little time to transition clients into local services. While many of these children were able to obtain services in the private sector, not all services are available in all parts of the state. If available, services are often fragmented with occupational therapy offered at one site and medical services at another.

In addition, community services to handicapped children were reduced by 50 percent. In FY'89, DPH provided in-home medical care to 200 children, but will be able to serve only 50 this year. Last year, DPH paid for housing adaptations for ten children and respite care in pediatric nursing homes for 32 children. This year, there are no funds available for these purposes.

Crisis counseling for families who have lost a child to Sudden Infant Death Syndrome have been cut in half affecting between 85 and 100 families. The Teratogen Pregnancy Hotline for pregnant women who think they may have been exposed to environmental hazards lost all government funding as of January, 1990.

The Department also cut back on contracted services. Since early intervention, adolescent and maternal health programs are all contracted programs, these cuts mean fewer services to women and children. In FY'89, approximately 7,000 children from birth to three years

old received early intervention services. Experts estimate that as many as 20,000 children, who are developing slowly or are likely to be delayed in their physical, social or intellectual development, are eligible for early intervention services. There are currently 1,200 eligible children on waiting lists for an early intervention program, nearly twice the number on waiting lists in FY'89.

The House 1 proposal is \$220,624 under what DPH estimates is needed to fund the current level of services. Further staff and contract cuts will have to be made in addition to the cuts sustained in FY'90.

While FY'91 funding will be sufficient to maintain the existing adolescent health care programs, advocates are concerned that there is no funding for violence prevention activities. In FY'89, DPH received \$60,000 from the Governor's Anti-Crime Council and has begun to create a systematic approach to violence prevention. However, these efforts cannot expand without a significant commitment of new funds.

SAC

Recommendation:

Support the agency request.

**Office of
Nutritional
Services
4513-1002**

FY'89 Appropriation: \$ 9,432,881
FY'90 Funds Available: \$ 6,499,678
FY'91 Agency Maintenance Request: \$ 6,609,791
FY'91 House 1 No Tax Budget: \$ 6,472,313

Three programs are included in this account: the WIC (Women, Infants and Children) Program, the Office of Nutrition and 07 contracted services for children who fail to thrive. In FY'90, WIC is allocated \$5,735,220; Office of Nutrition \$174,711; Failure to Thrive \$589,747.

The Massachusetts WIC Program provides healthful foods and nutrition counseling for eligible pregnant, breast-feeding, and postpartum women and to children under five years of age. It provides an individualized nutrition plan for each participant including food vouchers, nutrition education, and referrals to primary health care services. Participation reached a high of 77,068 in the Spring of 1989. State funds were reduced in FY'89 and FY'90. Even though federal funds and retained revenue generated by the Infant Formula Rebate Program increased, the combination of federal and state resources now supports a caseload of 73,850. This is fewer than half the number of women and children eligible for WIC. WIC began keeping a waiting list in July of 1989. By December, the waiting list had grown to 7,953 mothers and children.

DPH established the Office of Nutrition in FY'84. Current program initiatives focus on hunger, poor nutrition and the reduction of malnutrition among pregnant women and children in the Commonwealth. In FY'88, DPH found that more than one in five children exhibited at least one indication of malnutrition. In FY'90, budget cuts resulted in the elimination of the Massachusetts Resource Center which responded to 18,000 calls last year.

Established in FY'84 to respond to the **1983 Massachusetts Nutrition Survey**, Failure-to-Thrive programs provide intensive, family-oriented, pediatric outpatient services for children who are severely underweight. The four programs operating at eight sites serve 500 children annually. Three out of four of the children are underweight because they do not get enough to eat, not because of a physiological problem. Waiting lists vary with up to a two month wait at Boston City Hospital, the largest of these programs.

The House 1 recommendation is \$137,478 less than the Department's request. The House 1 request does not include any allowance for inflation. If food costs rise by four percent, the state's food funds will serve approximately 250 fewer people per month.

SAC

Recommendation:

Support the agency request.

**Medical
Services
Program for
Pregnant Women
(Healthy Start)
4513-1005**

FY'89 Appropriation: \$ 3,100,179
FY'90 Funds Available: \$ 2,848,367
FY'91 Agency Maintenance Request: \$ 5,104,600
FY'91 House 1 No Tax Budget: \$ 4,451,397

The Healthy Start Program provides outreach, client advocacy and prenatal and post-natal coverage for low-income women with no other health coverage. With the creation of CommonHealth, this account funds those women with incomes falling between 185 percent and 200 percent of the federal poverty level. Since the program began in 1985, 32,000 women have participated with their care paid for by Medicaid and Healthy Start. In FY'89, Healthy Start enrolled about 1,700 women in the program. The program expects to provide care for 2,095 women in FY'90.

Healthy Start projects a \$1.4M deficit this year. DPH expects to file a supplemental budget request. DPH transferred funds to DPW to obtain federal Medicaid reimbursement for outreach to pregnant women through a program arranged by an interagency agreement between DPW and DPH.

The House 1 recommendation anticipates increased medical costs in FY'91, but only funds a caseload of 2,030. Health Start projects a caseload of 2,300; 270 more than House 1 funds. There is no funding in this account for the DPH/DPW outreach agreement. DPH estimates that outreach will cost about \$200,000 in FY'91.

SAC

Recommendation: Support the agency request.

**Center for
Laboratory and
Communicable
Disease Control
4516-1000**

FY'89 Appropriation: \$ 15,121,485
FY'90 Funds Available: \$ 14,739,799
FY'91 Agency Maintenance Request: \$ 15,340,856
FY'91 House 1 No Tax Budget: \$ 14,273,277

The State Laboratory runs the Center for Laboratories and Disease Control (which includes newborn screening and testing for communicable diseases) and administers the state's universal childhood immunization program.

Massachusetts has maintained a very high level of compliance with recommended immunization schedules. For the 1988-89 school year, the immunization rate for polio was 97.9 percent; measles, mumps, and rubella (MMR) 98.8 percent; and for diphtheria, tetanus, and pertussis (DTP) 97.4 percent.

Despite the high level of immunization, more than 200 cases of whooping cough (pertussis), 60 cases of measles, and 50 cases of mumps were reported during 1989 in the state. Reported cases of whooping cough have increased steadily from 20 in 1984. Following a large measles outbreak in 1985 at Boston University, cases declined to six in 1988. Between 1984 and 1988, physicians reported an average of 18 cases of mumps per year. Due to outbreaks of measles and whooping cough, DPH distributed more vaccine during the first ten months of 1989 than during the same time period in 1988 - 120,482 doses of MMR vaccine, up from 87,118 in 1988; and 371,630 doses of DTP vaccine, up from 368,890.

In FY'90, vetoes and frozen funds reduced this account to about \$13.5M. At the same time the cost of the immunization program increased by 251 percent. The cost of the vaccines increased, the American Academy of Pediatrics recommended a second dose of the measles vaccine, and Massachusetts was forced to pay a new federal excise tax on vaccines manufactured at the State Laboratory. The resulting \$2.5M deficit in the immunization program was offset when the Governor released \$1.383M in frozen funds and the Budget Control Act established a "Vaccine Trust Fund". Funded by the uncompensated care pool, \$8M is allocated for FY'90 and FY'91. In FY'90, DPH estimates that it will need about \$2.45M from the fund.

House 1 recommends \$927,231 less than DPH estimates it needs to fund current services in this account in FY'91. However, with the \$8M from the free care pool, the vaccine program should be fully funded.

House 1 will fund 198 full-time staff, a loss of 34 positions or 15 percent since the beginning of FY'89. DPH already foresees delays in all laboratory analysis work, and had wanted to add two new AIDS technicians. DPH is concerned that the staff cuts will jeopardize the state's ability to investigate and intervene in disease outbreaks, perform tuberculosis and sexually transmitted disease laboratory testing, and analyze drug samples for the courts.

SAC

Recommendation:

Support the agency request.
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**DEPARTMENT
OF
MEDICAL
SECURITY
Department
of Medical
Security
Administration
4600-1000**

FY'89 Appropriation: \$ 938,000
FY'90 Funds Available: \$ 1,790,729
FY'91 Agency Maintenance Request: \$ 2,072,505
FY'91 House 1 No Tax Budget: \$ 1,841,000

This account funds staff at the Department of Medical Security which was created to implement the state's new universal health care law, the Health Security Act, Chapter 23 of the Acts of 1988.

Chapter 23 establishes a phase-in program for health insurance for approximately 600,000 uninsured Massachusetts residents. Over 80 percent of the uninsured are either working at jobs which do not provide insurance, or are dependents of those workers. The rest are college students, the unemployed and disabled, or retired workers. An estimated one-third of the uninsured are children.

By 1992, employers will either provide health insurance to their workers or contribute a maximum of \$1,680 per worker per year to a fund which will finance managed health care insurance through the state. The first steps were implemented last year with coverage for disabled children and adults (CommonHealth 4400-4000), pregnant women (Medicaid 4402-5000 or Healthy Start 4513-1005), and children with incomes up to the federal poverty level (Medicaid). Welfare to Work, also part of CommonHealth, continues Medicaid coverage for graduates of DPW's Employment and Training Program for two years after they become employed. Approximately 60,000 previously uninsured college students also received coverage beginning in 1989 as a result of the student health insurance initiative.

In the next two years, various incentives will be provided for small businesses to encourage them to offer health insurance. The phase-in projects will offer health insurance primarily to small businesses and the unemployed, within certain income guidelines, will be eligible for basic medical coverage.

The Department of Medical Security is expected to produce two studies during 1990 to guide its development of effective insurance plans. The first, which analyzes the market for insurance among small business was released in February, 1990. The second, due in April, surveys the uninsured and underinsured throughout Massachusetts.

Although the Department of Medical Security does not administer the new coverage for the disabled, women and children mentioned above, its 21 staff manage the uncompensated care pool, the phase-in initiatives, the unemployed program, the student health insurance program, the Labor Shortage Fund and the mandated studies of the uninsured and the small business insurance market.

Since DMS is a brand new agency, its administrative costs are increasing as it gears up to do its job. DMS would have liked to hire its full allotment of 20 staff by the end of FY'89, but FY'90 funding was not adequate to support this staffing level. The original FY'90 appropriation for the administration account was \$1,885,000, and has been reduced by more than 15 percent or \$270,250 during the current budget year.

The Governor's recommendation reflects his commitment to the universal health care law. Although this line item only grows about \$50,000, the House 1 narrative proposes adding eight new staff, for a total of 26.

SAC

Recommendation:

Support the agency request.

**State Supplement
to the Hospital
Uncompensated
Care Pool
4600-1050**

FY'89 Appropriation: \$ 858,460
FY'90 Funds Available: \$ 475,000
FY'91 Agency Maintenance Request: \$ 15,850,000
FY'91 House 1 No Tax Budget: \$ 1,000,000

The Uncompensated Care Pool, otherwise known as the free care/bad debt pool, is a fund which pays the hospital care costs for uninsured low income individuals and bad debt for those who can afford to pay and do not. It is financed through surcharges on the hospital rates paid by insurers including Blue Cross/Blue Shield, commercial insurance companies, and Health Maintenance Organizations (HMOs). In the past, Medicare and Medicaid paid into the pool. When Medicare stopped paying, pressure mounted to reorganize health care financing in the state. Under the current system, neither Medicare nor Medicaid pays, but the size of the payment the private payors must make is capped for each of the years from FY'88 to FY'91. If the actual uncompensated care costs exceed the cap, the state — as part of the new Health Security Act — pays the difference. In 1988, for instance, the private insurers owed a maximum of \$325M for the pool. In 1990, they are responsible for \$312M, plus a newly enacted \$8M for the vaccine trust fund. The arrangement to set up the cap expires in FY'91, when it is set at \$287M.

As Chapter 23 phases in and health insurance covers more and more of the low-income population, the demands on the uncompensated care pool are expected to decline. For FY'90, DMS projects \$15M in savings because of the mandated student coverage, \$4M saved through the other phase-ins, and \$3M because of the new coverage for the unemployed.

Since the pool covers both uncompensated care and bad debt - money that is not collected from individuals and insurance companies who could pay some or all of their bills - there is little incentive for hospitals to track down bad debt knowing that the free care pool will cover both. Beginning in FY'90, DMS requires hospitals to recover specific amounts of debt, and estimates the free care pool will save \$40M as a consequence in FY'90. Other management efforts are expected to save another \$2M. Only \$475,000 has been appropriated for administration of the pool, plus \$403,647 carried over from FY'89. After the \$312M paid by the private insurers and projected savings, the state's FY'90 liability for the pool will be about \$6.5M.

In FY'91, DMS expects the state share of the pool to rise to \$16.9M, after all savings have been subtracted. The state also owes \$8M from FY'89 and \$6.5M from FY'90. The three years together add up to \$31.4M. The House 1 narrative states that a no-tax budget will not allow the state to make these payments to the pool in FY'91.

Advocates are concerned that continued failure to pay the state's share will cause hospitals to dump their free care patients at a few facilities like Boston City Hospital. Further, the uncompensated care pool arrangement is coming to an end — no caps are set after FY'91. Without a commitment of funds, the state will be in a poor position to negotiate with the hospitals.

SAC

Recommendation: Support agency request.

**Uncompensated
Care
Community
Health
Centers
4600-1060**

FY'89 Appropriation: \$ 6,516,937
FY'90 Funds Available: \$ 3,000,000*
FY'91 Agency Maintenance Request: \$ 3,000,000
FY'91 House 1 No Tax Budget: \$ 3,000,000

*This is a carry over from FY'89.

Community health centers frequently provide free care to uninsured, low-income patients. While a complex agreement resulted in financing an uncompensated care pool for hospitals, community health centers have provided care without much help from the private sector or the state. In FY'88, an account in the Department of Public Health (4510-0114) provided \$1M in state funds to defray Uncompensated Care in Community Health Centers. In FY'89, that account was eliminated and funds were appropriated as part of the Department of Medical Security. The FY'89 supplemental budget appropriated \$6.5M and there was a subsequent withhold of \$3.5M, resulting in \$3M available for use in FY'90.

To encourage the uninsured to go to community health centers and prevent costly hospitalizations, DMS has established the Center Care program. Its funding of \$1M pays a set rate for enrolling uninsured individuals for care at the community health centers. There are now 5,844 participating individuals, one-third of whom are children. Two-thirds of the adults are employed. Half of those work at a job which does not provide health insurance. A total of 23 health centers are involved.

House 1 recommends \$3M, the maintenance level for FY'91. DMS plans to maintain the \$1M commitment of FY'90, for a total maintenance of \$4M and plans to expand the Center Care program to include 9,000 participants in FY'91.

SAC

Recommendation: Support House 1.

**Health
Insurance
Phase-Ins
4600-1300**

FY'89 Appropriation: \$ 4,000,000
FY'90 Funds Available: \$ 6,000,000
FY'91 Agency Maintenance Request: \$ 12,650,000
FY'91 House 1 No Tax Budget: \$ 12,650,000

This account provides funding for pilot programs to create health insurance packages for the uninsured. In FY'90, five contracts have been signed to provide health insurance to primarily businesses with fewer than 25 employees. These contracts involve health maintenance organizations and one preferred provider organization (PPO), at a cost from ten to 25 percent less than what these employers would pay on the open market.

In addition, a Request for Proposals (RFP) has gone out, seeking bids for plans with premiums of about \$1,680 annually, the level of contribution required from employers in 1992. Contracts are expected to be approved by April, 1990. All told, phase-in plans should cover 10,000 to 12,000 people this year.

An \$11M trust fund supports the plans through subsidized premiums, risk-sharing and administrative and development costs. The House 1 recommendation is \$12,650,000, only enough to maintain those enrolled in phase-in projects begun this year. It will not allow any expansion, which had been originally anticipated. With expansion dollars, DMS would extend coverage to areas such as Northern Middlesex and the Cape and would add another plan in Boston.

As many as 130,000 unemployed workers may be aided by another aspect of Chapter 23: those receiving unemployment compensation who meet the income guidelines, will be eligible for health insurance beginning July, 1990. The funds for these plans (\$16.80 per worker) will be collected from firms with more than 6 employees. Contributions to the unemployment health insurance program were effective as of January 1990, with initial payments by employers due by April 30, 1990. Contributions are expected to bring in \$34M this year.

The House 1 recommendation is \$3.65M more than the FY'90 total, enough to maintain the phase-in projects begun this year. It will not allow any expansion. With expansion funds, DMS would extend coverage to areas such as Northern Middlesex and the Cape, and would add another plan in Boston.

**SAC
Recommendation:**

Support House 1.

**LEAD PAINT
POISONING
PREVENTION**

The following accounts in EOCD, DPH and DLI fund lead poisoning prevention services. These agencies are responsible for implementation of Chapter 773, the state's new lead poisoning prevention law. The total spending to implement the law was originally set at \$850,000 for FY'89. Because of budget cuts, only about \$80,000 was actually spent.
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**EXECUTIVE OFFICE
OF COMMUNITIES
AND
DEVELOPMENT**

**Lead Paint
Removal
Grants
and Loans
3748-0010**

FY'89 Appropriation: \$ 350,000
FY'90 Funds Available: \$ 0
FY'91 Agency Maintenance Request: \$ 1,500,000
FY'91 House 1 No Tax Budget: \$ 0

This account would fund grants and loans for low and moderate income homeowners and landlords to help them remove lead paint from residential properties. Since so much of the state's older and less expensive housing stock contains lead paint, de-leading is considered essential to increasing the supply of affordable housing for families with young children. Although this program is authorized by the lead poisoning prevention law, Chapter 773, it has not been implemented. All of the FY'89 and FY'90 appropriations were frozen.

In its FY'90 "responsible budget" request, EOCD proposes funding to begin the deleading program in FY'91. The EOCD request is for maintenance; House 1 eliminates the line item altogether.

SAC

Recommendation:

Support the agency request.
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**DEPARTMENT OF
PUBLIC HEALTH**

**Lead Poisoning
Prevention
Reserve
4510-0611**

FY'89 Appropriation: \$ 300,000
FY'90 Funds Available: \$ 47,500
FY'91 Agency Maintenance Request: \$ 50,552
FY'91 House 1 No Tax Budget: \$ 49,972*

*Merged into the Environmental Health account (4510-0600).

This account was established in FY'89 to fund implementation of the Commonwealth's new lead law. DPH issued regulations effective

July 1, 1988 governing the registration, training and licensing of lead inspectors; the establishment of a threshold level for lead in soil, soil sampling and analysis protocols; residential abatement and safety standards; and lead hazard disclosure. DPH has developed notification packets on disclosing lead hazards, requirements of the lead law, who needs to delead and how to do it. All sellers and real estate agents are required to provide these Property Transfer Notification Packages to prospective purchasers of residential property constructed prior to 1978.

All but \$50,000 of the funds appropriated in FY'89 were frozen. Again, in FY'90, funds were reduced to the \$50,000 level making it very difficult for DPH to carry out important lead poisoning prevention activities. DPH has established a fee structure for licensing deleaders, testing environmental samples and training inspectors. The agency expects to generate another \$17,745 in FY'90. In FY'90, the retained revenue ceiling is set at \$310,000.

For FY'91, House 1 moves this account into the Environmental Health Services account (4510-0600) and again funds it at the \$50,000 level. With funding at this level, DPH cannot comply with the provisions of the revised lead bill. It cannot establish, maintain and monitor a program to license and train private sector lead inspectors. The property transfer notification program may be undermined. The agency's ability to generate revenue may also be affected. House 1 allows DPH to retain up to \$200,000 in revenue from licensing and other fees.

SAC

Recommendation:

Support the agency request.

**DEPARTMENT OF
LABOR AND
INDUSTRIES**

Retained

Revenue

Lead Paint

Removal

9410-0101

FY'89 Appropriation: \$ 29,506

FY'90 Funds Available: \$ 350,000

FY'91 Agency Maintenance Request: \$ 80,000

FY'91 House 1 No Tax Budget: \$ 80,000

Under the lead poisoning prevention law, DLI would be responsible for inspecting worksites to protect workers who remove lead paint. This account was established to generate \$350,000 in revenue through collection of fees for certification of contractors and

supervisors who remove lead. Fee collection began in January, 1989, and generated just under \$61,700 for worksite inspections in calendar year 1989. In FY'90, the retained revenue ceiling is set at \$350,000. Because the Department now licenses contractors and charges a higher fee, \$91,350 has been collected so far this year.

SAC

Recommendation: Support the agency request

CHILDREN'S MENTAL HEALTH

Federal law requires the Department of Mental Health to develop a "comprehensive planning process" for delivering mental health services to children and adults in Massachusetts. Using a population based formula, DMH is required to plan for, refine, develop and monitor the types of services people with serious mental illness in Massachusetts need. In an October, 1989, report submitted to the federal government, DMH describes a model for the child/adolescent system which is comprehensive, culturally competent, and provides a continuum of mental health services for individuals under 19 years of age who are seriously emotionally disturbed or seriously mentally ill. As described, the system will "provide services in a child's community whenever possible" and emphasize family preservation and involvement in a child's treatment.

Executive Order 244, which was fully implemented on July 1, 1988, provided an opportunity for DMH to begin to develop the type of system it outlines in its "Comprehensive Mental Health Services Plan". That order prohibits placement on adult state hospital wards of youth under 19 years of age. DMH estimates that there are 71,081 children and adolescents under the age of 19 — five percent of the state's 0 to 19 year old population — who will need mental health services at some time in their lives. Half of these children and adolescents will need publicly funded services. While sufficient inpatient and residential beds exist statewide, not every area of the state has the number or kind of beds it needs. In addition, no community has the home-based and school-based mental health services it needs to help the seriously emotionally disturbed children who live within its borders.

DMH has made it a priority, one that is strongly supported by parents and mental health advocates, to develop home- or school-based programs that reflect the cultural heritage of the communities they serve. Unfortunately, community-based programs were the first to be cut as a result of FY'89 and FY'90 budget reductions.

Funding New Programs

The Department has refiled a bill which would allow it to keep all of the revenue generated by its certified child and adolescent inpatient units. H180 would, if passed, allow DMH to use these retained funds to develop new community-based services without increasing the DPW Medicaid budget. In FY'90, DMH would like to use at least \$1.5 million in new retained revenues for intensive home-based services designed to prevent hospitalization of children and adolescents - the DMH component of Families Count (see "Child and Family Support Services" introduction).

House 1 would allow DMH to retain \$4.5 million which would be used to maintain current services. If H180 does not pass, DMH wants this revenue cap increased to \$6 million, the total amount of revenue the agency expects to generate in FY'91.

The Effect of the No-Tax Budget

House 1 maintains FY'89 and FY'90 cuts in the DMH Children and Adolescent Services account (5047-0000) and makes additional cuts in Adult Mental Health (5046-0000) and Community Mental Health Centers (5057-0100). Since adolescents 19 through 21 years of age are no longer served by the adolescent division, these cuts will seriously affect young adults who will have to compete with seriously mentally ill adults for available resources. There are already long waiting lists for adult mental health services.

However, the most serious threat to mental health services for children and adolescents is embodied in House 1 Medicaid savings recommendations. House 1 proposes the elimination of the Medicaid Psych Under 21 Program. This program pays the cost of inpatient psychiatric care for children and young adults in private and public hospitals. Because DMH would still be responsible for paying these fees, this "savings" proposal would cost the state money. The state would lose \$10.8 million in federal revenue. It would cost DMH \$12.5 million to provide the same services which now cost DPW \$4 million. Because DMH must comply with Executive Order 244, all existing resources would be used up for inpatient, residential, and emergency care. Community-based services would be eliminated. Because of pressure from advocates, both the Governor and the Secretary of Human Services have agreed to withdraw this proposal and one which eliminates psychiatric day treatment for children; however, the technical amendments needed to correct these problems had yet to be filed in mid-March.

DMH is also negotiating with the Department of Public Welfare on some other Medicaid savings initiatives. DPW has agreed to exempt DMH units from the 60 day limit on Medicaid funded inpatient hospital stays and to maintain current limits for outpatient services for children up to 19 years of age. However, DPW wants to require earlier prior approval for outpatient mental health services and strictly limit individual and family therapy visits for all but the most seriously mentally ill adults. This will adversely affect young people between 19 and 21 years of age. Since no specialized programs have been created for young adults, and there are no longer any special Turning 22 funds at DMH, young adults with mental illness will be at greater risk for institutionalization or homelessness than children or older adults.

The following accounts fund mental health services for children and young adults.

**DEPARTMENT
OF MENTAL
HEALTH**

Child/

Adolescent

Mental

Health

Services

5047-0000

FY'89 Appropriation: \$ 47,924,149

FY'90 Funds Available: \$ 46,729,784

FY'91 Agency Maintenance Request: \$ 46,727,325

FY'91 House 1 No Tax Budget: \$ 46,727,325

This account funds all inpatient and community-based mental health services for children and youth with the exception of the Gaebler Children's Center in Waltham.

Of the \$50.15 million approved last July by the legislature, \$2.5 million was frozen by the Governor. Between \$800,000 and \$900,000 was cut in the fall, which prevented the opening of a new inpatient unit for children. Because DMH cannot place children on adult wards at state mental hospitals, less intensive services — such as emergency, after-care and outpatient — absorbed most of the cuts. DMH estimates that 1,100 children and their families have lost access to these community-based services. Advocates note that this has particularly eroded

DMH's ability to serve "emotionally disturbed" children, and not just the seriously mentally ill. State law specifies that DMH help emotionally disturbed children as well as those with more serious mental health problems. At the same time, DMH had to freeze placements funded under the Individual Services Fund (ISF) and suspend development of a unit for emotionally disturbed/mentally retarded children, 14 of whom are now hospitalized outside of Massachusetts at a cost of \$180,000 per year per child. During the current fiscal year, ISF was reduced \$800,000; and no new children have received funding since September 1, 1989.

House 1 funds children's mental health at just under current spending, leaving all the problems created by the cuts unsolved. DMH considers child/adolescent services a priority for increased funding in FY'91. The agency would spend \$1 million as follows: \$578,000 for ISF placements for 40 multiply handicapped children; \$171,000 for outpatient and aftercare services in Metro Boston; and \$250,000 to expand the Taunton crisis unit.

SAC

Recommendation:

Support the agency request and add \$1 million to restore DMH priority services.

**Adult
Mental
Health
Services
5046-0000**

FY'89 Appropriation: \$ 141,470,791
FY'90 Funds Available: \$ 150,476,591
FY'91 Agency Maintenance Request: \$ 150,855,914
FY'91 House 1 No Tax Budget: \$ 149,418,153

This account funds community-based residential, day and family support programs except those services offered by state-funded community mental health centers. With the exception of some crisis intervention programs which accept adolescents, these programs serve adults only.

Because DMH's Child/Adolescent Services Program does not cover individuals from 19 to 22 years of age, young adults have to compete with older adults for services. The legislature approved funding of \$159 million for adult mental health services in FY'90, but vetoes, withheld allotments, and additional cuts reduced the account by \$8.5 million. DMH estimates that at least 9,000 persons with serious mental illness have lost outpatient and aftercare services as a result of these cuts to the community system.

In addition, there are no staff to run new residential programs developed as a result of the Special Message, the Governor's 1985 plan to increase mental health services. In FY'90, 246 community residence beds will become ready for occupancy. If no additional funding is

appropriated in FY'90 and FY'91, these new residential programs will become replacement facilities for existing programs. Meanwhile, over 400 mentally ill patients who are ready for a move to the community remain on inpatient wards waiting for a place to live.

House 1 reduces this account by an additional \$1 million and moves \$450,000 to DMR. Although House 1 indicates that this is designed to cover the cost of transferring mentally retarded clients out of state hospitals, it is an administrative adjustment associated with the DMH/DMR split. There continue to be 200 mentally retarded persons inappropriately placed on inpatient psychiatric wards.

For FY'91, DMH priorities for restoration are:

- \$8.2M in full year funding for the 246 residential beds that are ready for occupancy, but cannot open without new funds.
- \$3.1M to hire 106 case managers and complete the case management system approved in the FY'89 budget but never funded.

SAC

Recommendation:

Support the agency request and add \$11.7M to restore DMH priority services.

Community Mental Health Centers 5051-0100

FY'89 Appropriation: \$ 79,200,000
FY'90 Funds Available: \$ 86,547,362
FY'91 Agency Maintenance Request: \$ 88,742,652
FY'91 House 1 No Tax Budget: \$ 88,171,835

This account funds the following community mental health centers: the Harry C. Solomon Mental Health Center in Lowell, Cambridge/Somerville Mental Health Center in Cambridge, Brockton Multi-Service Center, Corrigan Mental Health Center in Fall River, Pocasset Mental Health Center, the Quincy Mental Health Center, and the five centers in Boston — Massachusetts Mental Health Center, Solomon Carter Fuller Mental Health Center, Erich Lindemann Mental Health Center, Bay Cove Mental Health Center, and Dorchester Mental Health Center. Community mental health centers (CMHCs) offer inpatient facilities and a full range of community mental health services: residential programs, aftercare and outpatient therapy. In the Metro Boston region, all mental health care has been provided through CMHCs since Boston State Hospital closed in the early 1980s.

In FY'90, \$2M was withheld in July adding to the ongoing funding problems for the community mental health centers. On top of the withheld funds, CMHCs had to absorb a \$4M deficiency from previous years.

Reduction of services provided through CMHCs paralleled those in the rest of the mental health system: drastic cutbacks in outpatient and aftercare services. These were particularly severe in Metro Boston, where all services are provided by CMHCs, and where cuts in the adult mental health account (5046-0000) had an effect as well. Services in the Boston area were cut by nearly \$4.6M in FY'90. Mental health services provided through neighborhood health centers were also reduced. Programs for special populations such as immigrants and refugees, linguistic minorities and the homeless were dropped.

DMH estimates that 9,000 of the approximately 90,000 people statewide who receive outpatient mental health services have lost those services as a result of FY'90 cuts.

House 1 recommends nearly \$600,000 less than DMH's maintenance estimate. In fact, DMH wants to restore some of the cuts made in this account. DMH feels that \$8M more is needed for CMHCs, and has placed this among its highest funding priorities.

SAC

Recommendation:

Support the agency request and add \$8M to restore DMH priority services.

DISABLED CHILDREN

A variety of state agencies serve children who are disabled, multiply handicapped, autistic, mentally retarded or have serious medical needs. Children with special needs are eligible for special education services from local schools under Chapter 766, Massachusetts' Special Education Law. In addition, children may be eligible for services from one or more human service agency, depending on their diagnosis and individual needs.

The philosophy of the disabilities movement is that every individual with a disability has a right to a life which is as comparable as possible to that of an individual who is not disabled. As parents of children with mental retardation put it, their children have a right to have friends, a home, education and a job as they grow older and become independent of their families.

The state's record in creating this environment for children with disabilities is mixed. On the one hand, Massachusetts was the first state to pass a special education law requiring individual education plans that would allow special needs children to develop to their maximum potential in the least restrictive school setting, and by doing so, set the standard for federal legislation. Massachusetts also passed the nation's first universal health care law and set health care for pregnant women, young children, and adults and children with disabilities as its first priority. A bill enacted this year requires certain private insurance plans to provide coverage for medically necessary early intervention services. Proponents hope that this new law will expand early intervention services to children who are developing slowly. Of an estimated 20,000 Massachusetts children who are eligible for early intervention programs, about 7,000 currently receive these services.

Family support services, respite care, and access are becoming household words. State agencies have begun to focus on the kinds of help families need to prevent out-of-home placements. However, budget cuts over the past two years have undermined recent progress made toward these goals in the arenas of education and human services.

State funding for community-based prevention services has been cut drastically. Agencies have moved toward serving only the most critical cases, successful programs have been reduced or eliminated, and waiting lists have grown significantly. Advocates are particularly concerned about the shift away from community-based services to residential or institutional care.

The Department of Mental Retardation

In 1987, the Department of Mental Retardation (DMR) was created to provide a full range of services to the Commonwealth's estimated 20,000 mentally retarded children. However, DMR has never been given the resources it needs to create a community-based service system for children. In FY'90, less than three percent of the total DMR budget is designated for children. Most of the budget is earmarked for institutional services for adults with mental retardation, in part because federal funding has an institutional bias. Medicaid automatically reimburses 50 percent of institutional expenditures, but many community services are not reimbursable at all or are offered only as limited options. DMR currently cares for 3,500 people in state schools using 55 percent of its total funding for their care. Approximately 16,000 people are cared for in the community and account for only 45 percent of the DMR budget.

In FY'89 and in FY'90, DMR was able to provide services for fewer than 600 children under its children's services account. Approximately 10,000 families of disabled children and adults received respite services through the adult services account. However, respite funding has not been increased since it was transferred from DSS in FY'89. It is estimated that the current waiting list for respite care for families of disabled children is over 1,500.

In FY'89, the DMR Children's Services Division had planned to implement comprehensive in-home respite services throughout the state; expand social recreation programs, develop short-term residential programs in each region, increase emergency services for families, and expand its clinical resource teams. Lacking sufficient funds, DMR has been able only to partially complete this agenda.

In FY'90, DMR developed a regional program to serve autistic children in Western Massachusetts. There are few residential programs for autistic children, and almost no family support or community programs that help parents keep autistic children at home.

Specialized community-based programs are essential if children with mental retardation are to live in their communities, attend school with children their own ages, make friends, and participate in neighborhood social and recreational programs.

Turning 22

Through the Bureau of Transitional Planning (BTP) the Executive Office of Human Services (EOHS) assures that children previously served through Chapter 766 are assigned to a human service agency that will plan for ongoing services once the child turns 22 years of age. Working with BTP, the Departments of Mental Retardation and Mental Health, the Massachusetts Rehabilitation Commission, Commission for the Deaf and Hard of Hearing and Commission for the Blind fund these "Turning 22 Services" to the degree their budgets allow.

Disability advocates consider funding for Turning 22 Programs a priority. Without continuity, young people are in danger of losing the skills they have gained in special education programs. If parents are no longer able to care for them and no other programs are available, some young people will be institutionalized or become homeless. In the past, services for young people turning 22 were expanded annually. Since FY'89, most Turning 22 funds have been frozen or significantly cut. Long waiting lists, especially for mental retardation programs, have been growing even longer. BTP sets the combined waiting lists for DMR, DMH, MRC, MCB, and MCDHH Turning 22 services at 1,900.

The Effect of the No Tax Budget

House 1 will have a devastating effect on services for disabled children and young adults. The reserve to provide services for retarded young people who are turning 22 and are eligible for residential or day programs from DMR is not funded in House 1. As of July 1, 1989, there were 989 young adults with mental retardation waiting for Turning 22 services. Only in the most critical instances was DMR able to arrange services. DMR does not expect to be able to provide services to most of the 450 to 500 clients who will be eligible for its Turning 22 program in FY'91. DMR projects the waiting list for these services will reach 1,200 by July 1, 1990.

Mentally retarded and developmentally disabled children also receive some respite and family support services through DMR's community services account. About \$12M (five percent) of the account is used to pay for programs that help children. Because of cuts in the community services and Turning 22 accounts, no new respite services have been provided since July 1, 1989. Over 1,600 families of disabled children are already on waiting lists for respite care. House 1 level funds this account. Without additional funds, no new respite services will be offered and the waiting lists will grow.

House 1 eliminates the state supplement to the federal SSI Program. This program provides cash assistance to low income disabled individuals. Approximately 9,500 disabled children are enrolled at this time. Monthly benefits will be cut by up to \$150. For the estimated 240 children whose families make just over the federal income limit and who receive only the state supplement, this means that they will lose not only the income, but also their eligibility for Medicaid. If intake for the state's CommonHealth Program is closed, these children will have no access to health insurance.

Currently 700 disabled children receive health insurance through CommonHealth. An additional 150 children are expected to enroll by the end of FY'90. House 1 will continue coverage for these children, but cuts off intake as of July 1, 1990. In 1989, Health Care For All estimated that as many as 200,000 Massachusetts children did not have health insurance.

House 1 proposes a reduction in the personal needs allowance for the approximately 250 children in pediatric nursing homes from \$72 to \$35 per month. This money is used to buy toiletries and other personal items for these severely impaired children.

The Commonwealth had taken some very important steps to ensure that individuals with disabilities can attend school, gain skills, and become independent. Inadequate funding for Turning 22 and other programs that serve disabled children and young adults jeopardizes these gains, and makes it more difficult or impossible for families to care for their disabled children at home. Funding at the House 1 no tax budget level will jeopardize the health and well-being of children and young adults with disabilities.

**DEPARTMENT
OF MENTAL
RETARDATION**

**Reserve
to Fund
Administrative
Costs of
DMH/DMR Split
5712-0100**

FY'89 Appropriation: \$ 6,000,000
FY'90 Funds Available: \$ 6,586,500
FY'91 Agency Maintenance Request: \$ 0
FY'91 House 1 No Tax Budget: \$ 0

This account funds new regional and area-based staff, office space, and other administrative costs associated with the split of the Department of Mental Health and the Department of Mental Retardation. Although both DMH and DMR use funds from this account, about two-thirds of the money goes to DMR.

In FY'90, these funds were transferred to the administrative accounts of DMH and DMR at FY'89 maintenance levels. DMH received \$1,315,775 (5011-0100); DMR received \$5,270,725 (5911-0100). DMR's administration funds were cut \$1.1M last fall resulting in loss of 53 staff. Including direct care staff, DMR is operating with 53 percent of its staff positions vacant. None of the local children's staff have been hired, some local service centers are without directors, most regions do not have regional children's program coordinators, and intake workers were never hired. Without an internal administrative structure, it is extremely difficult for DMR to carry out its mission.

Since the split is considered complete, House 1 funds these positions in DMH and DMR administrative accounts but at levels lower than DMH and DMR requested. House 1 recommends \$504,969 less than the \$23,503,623 DMH requested (5011-0100). The House 1 recommendation for DMR is \$405,511 below the \$15,355,000 agency request (5911-0100).

SAC

Recommendation:

Support the DMH and DMR maintenance requests.

**Turning 22 - MR
5911-0006**

FY'89 Appropriation: \$ 5,700,000

FY'90 Funds Available: \$ 3,300,000

FY'91 Agency Maintenance Request: \$ 4,500,000

FY'91 House 1 No Tax Budget: \$ 0

This is a reserve account which funds transition planning and new services for mentally retarded individuals who are becoming too old for special education programs. Historically, these transition funds are moved with the clients into Mental Retardation Services (5948-0000), the account that pays for programs that help mentally retarded adults.

Each year, roughly 450 young people who are severely mentally retarded reach their twenty-second birthday. Under the Turning 22 law, Chapter 688 of 1983, specialized service plans are devised for these young people to ease their transition into the adult service system for the disabled. However, the services dictated by those plans are "subject to appropriation" — provided if money is available to pay for them. Turning 22 clients are ranked according to need — about 200 are judged to be "priority one," meaning that without help their life and safety are in jeopardy. In the best of years, DMR gets enough expansion funding for residential placements to serve all the new priority one clients, most of whom are already living in residential schools. The approximately 250 other severely disabled young adults generally live at home, receiving few if any services from DMR, while they wait for housing and other programs.

After budget cuts, FY'89 funding enabled DMR to provide services to approximately 240 Turning 22 clients. In FY'90, the \$3.3M appropriation was frozen requiring DMR to develop alternative plans for the 113 people considered the most critically needy or at risk. Some mentally retarded young people were sent home to families unable to care for them financially, clinically or emotionally. Scarce community resources were used to continue funding for some young people in expensive residential schools. DMR clients who were scheduled to move into community residences were displaced by Turning 22 clients and will have to wait even longer. As of July 1, 1989, there were 989 young adults with mental retardation waiting for Turning 22 services. Another 450 to 500 will turn 22 this year.

Following a plea from a disabled young adult's foster mother, the Governor agreed in February to release \$3.3M to provide help for the 113 emergency Turning 22 cases. The majority of those Turning 22, however, are still without or are receiving inadequate stop-gap service. Since DMR will only be able to arrange services for the most critical cases, the waiting list is expected to grow to 1,200 by July 1, 1990.

For FY'91, EOHS requested \$4.5M for nine month's funding for the approximately 75 individuals with the most severe needs who will be eligible for Turning 22 services in FY'91. Under the House 1 no tax budget, no funding is proposed at all.

SAC

Recommendation:

Support the agency request.

**MR
Children's
Services
5947-0000**

FY'89 Appropriation: \$ 3,147,236
FY'90 Funds Available: \$ 3,974,586
FY'91 Agency Maintenance Request: \$ 3,974,586
FY'91 House 1 No Tax Budget: \$ 3,974,586

This account was created in FY'88 to fund services for mentally retarded children and their families. Today, it pays for supportive services for families whose mentally retarded or autistic children are at risk for out-of-home placement (\$2.1M); five young adults at the Swansea Wood program for emotionally disturbed and mentally retarded individuals (\$250,000), and the residential portion of 61 placements in private residential schools (\$1.55M).

Working closely with local school systems, other agencies, and private providers, DMR has and plans to continue to fund services which enable families to keep or bring their children home.

The array of support services that the Department maintains and develops includes a "family empowerment" model of case management — teaching families the skills they need to take care of their mentally retarded child; in-home and out-of-home respite; emergency crisis intervention services; help in finding local "generic" services, such as child care and recreational opportunities; behavioral management skills; intensive in-home supports; and temporary, alternative, out-of-home care. The amount of money that will be available for support services in FY'91 in this account is \$2.4M.

For FY'90, the Legislature appropriated \$1M to expand services to children and their families. Under normal circumstances this appropriation would be annualized at \$2M in FY'91. However, the Governor withheld \$240,000, reducing the \$1M in expansion to \$760,000, which in turn annualized to \$1,520,000.

Two important initiatives were conceived in FY'89 and begun in FY'90: the Department's autism project in Western Massachusetts (Region I) and a federally funded project in the Northeast to provide family support and respite services for Cambodian families with children who have serious developmental disabilities.

The Department's autism project is funded at \$250,000. The project, Community Resources for People with Autism, provides a wide range of support services including respite; access to generic, community-based services; consultation to public schools, and behavioral management training to families and other care givers. The project works collaboratively with other professionals to ensure that families and children with autism receive the help they need to keep their children at home and in the community.

A federal grant supports a \$150,000 effort in the City of Lowell to ensure that Cambodian families with developmentally disabled children receive family support and respite services, that the Cambodians are successfully brought into the existing service system, and that the system learns to respond effectively to their needs.

The Coalition for Children Who Are Mentally Retarded would like to see this account increased by \$3,850,000 to fund the following: \$100,000 for each of 26 local service centers to ensure the provision of intensive support services to families whose children are most at risk of out-of-home placement; and \$250,000 for each of DMR's remaining five regional offices to replicate the Western Massachusetts autism project.

For FY'91, DMR sought level funding for the account. House 1 supports the request.

SAC

Recommendation: Support the agency request.

**Mental
Retardation
Community
Services
5948-0000**

FY'89 Appropriation: \$ 225,347,615
FY'90 Funds Available: \$ 244,158,262
FY'91 Agency Maintenance Request: \$ 246,026,399
FY'91 House 1 No Tax Budget: \$ 246,026,399

This account funds community services for mentally retarded clients, including residential, day, respite, and family support services. About \$12M (five percent) of the account is used to pay for programs that help children. Transportation is funded through a separate account. In FY'89, some expansion funding was available to move individuals with mental retardation out of state hospitals and nursing homes. No expansion funding was available in FY'90 because \$1.2M in respite funds and \$4.5M in COLA (cost of living allowances) were cut from the \$253M appropriation in July. In addition, the account was cut by \$3.4M during the year.

Resulting cuts in direct services included: reductions in emergency services; curtailment of clinical services affecting 700 people; elimination of 80 percent of social and recreational services affecting 1,100 people; and changes in individual support services for clients at home or in nursing homes. No new respite care services have been provided since July 1, 1989. Over 1,500 families of disabled children are on waiting lists for respite care. The FY'90 budget anticipated \$500,000 in retained revenues from a new sliding fee scale for community services, excluding respite care. DMR expects to generate between \$200,000 and \$300,000 in FY'90, and the full \$500,000 in FY'91. The Department's FY'91 request represents maintenance level funding.

House 1 level funds this account and moves \$450,000 into it from DMH adult services.

Advocates are concerned about the inadequate level of funding for community services and transportation. Of further concern are House 1 recommendations in other accounts which could affect DMR services. If the SSI state supplement is eliminated, other funds will have to be found to support DMR residential programs which currently receive 75 percent of an individual's SSI benefits.

Self-sufficient people with mental retardation will also be affected by the proposed Medicaid eligibility restrictions for disabled people and the closing of CommonHealth intake on July 1, 1990. Elimination of certain optional services under Medicaid will also affect DMR clients and could increase direct state funding for some services through DMR.

SAC

Recommendation:

Restore \$1.2M for respite care to reduce the waiting lists and include annualization of FY'90 Turning 22 costs at \$6.6M.

**MASSACHUSETTS
COMMISSION FOR
THE BLIND**

**Medicaid
for the
Blind
4110-1020**

FY'89 Appropriation: \$ 67,051,241
FY'90 Funds Available: \$ 456,709
FY'91 Agency Maintenance Request: \$ 415,420
FY'91 House 1 No Tax Budget: \$ 390,915

This account funds administrative staff at MCB who determine eligibility of blind applicants for Medicaid. Beginning in FY'90, funds for medical services were transferred to DPW's Medicaid account (4402-5000). There are between 6,500 and 6,700 blind persons in the state who are eligible for free medical care under Medicaid; 45 percent of the caseload is elderly.

MCB's request for FY'91 represents maintenance. House 1 sets maintenance at a lower level.

SAC

Recommendation:

Support the agency request.

**Social
Services
for the Blind
4110-2040**

FY'89 Appropriation: \$ 5,265,793
FY'90 Funds Available: \$ 5,061,617
FY'91 Agency Maintenance Request: \$ 6,349,085
FY'91 House 1 No Tax Budget: \$ 5,591,808

This account provides a range of services to legally blind individuals including children under 14 years of age. These services include infant stimulation, respite, after school programs and consultation to public schools.

The current social services caseload at MCB is 3,000. An estimated 700 of these cases involve children an increasing number of whom are multiply handicapped. There are currently six social workers for these blind children. Individual caseloads exceed 100.

In FY'87, MCB initiated a project to help deaf-blind individuals who are turning 22 years of age and are no longer eligible for special education services under Chapter 766. The agency provided services for 69 of these multiply handicapped people in FY'89; and helped another six in FY'90. This program coordinates and plans services for the deaf-blind population, in addition to providing vocational and independent living services. An estimated 109 deaf-blind individuals in Massachusetts have either just turned 22 or will between now and 1996.

Budget shortfalls in FY'89 and FY'90 have had a serious effect on service delivery. There has been an eight percent cut in social services in FY'90. In order not to drop clients completely, MCB has chosen to cut back on the level of service. For example, there has been a 20 percent reduction in hours of homemaker services, causing 125 clients to lose two hours a month.

MCB's budget request for FY'91 is \$6,349,085 and includes funding for 11 new deaf-blind clients who have turned 22. House 1 provides no funding for these multiply-handicapped individuals. In addition, there is no money to continue the care of the six clients who turned 22 in FY'90. If MCB stops caring for these clients in FY'91, it would be the first time the state has ever terminated Turning 22 care for those who have already started to receive it.

Although House 1 shows an increase of about ten percent over actual spending in FY'90, increased costs will result in a significant decrease in services provided. Homemaker services, which have been reduced for the past two years, will be cut in half, leaving 52 clients without services at all. After school programs and 65 camperships for blind children will be eliminated.

SAC

Recommendation:

Support the agency request.

**MASSACHUSETTS
REHABILITATION
COMMISSION**

**Social
Services
for the
Disabled
4120-0012**

FY'89 Appropriation: \$ 17,041,962
FY'90 Funds Available: \$ 16,521,140
FY'91 Agency Maintenance Request: \$ 18,081,461
FY'91 House 1 No Tax Budget: \$ 15,697,962

This account funds a number of different programs. In FY'90, the account was cut 5.5 percent overall. The agency has reduced or eliminated services for more than 2,600 people, waiting lists have grown.

Programs received the following funding in FY'90: Supported Work for the Mentally Retarded (\$1,294,102; waiting list, 210 by the end of FY'90); Supported Work for the Physically Disabled (\$45,000; waiting list, 15 by end of FY'90); Extended Sheltered Employment (\$6,226,000; waiting list, 600 by end of FY'90); Independent Living (\$2,076,183, of which \$755,000 is to be spent on Turning 22 services; waiting list, 225 by the end of FY'90, with another 10 waiting for turning 22 programs); Homemaker/Chore Services (\$4,000,000; all Priority One clients have lost at least 20 percent of their hours of service, other priority levels receive no services); Personal Care Assistance (\$1,425,000); Supported Work for the Mentally Ill (\$640,000, waiting list, 460 by end of FY'90); Arts for Persons with Disabilities (\$120,699, phasing out in FY'90, affecting over 1,200 people); Recreation for Persons with Disabilities (\$224,156); Abuse Protection and Investigation (\$180,000), and the Housing Pilot Program for Severely Disabled (\$290,000; waiting list of 60 by end of FY'90).

MRC's maintenance request restores a few of the FY'90 cuts, but only funds highest priority clients and programs. The House 1 no tax budget cuts another five percent out of the already reduced FY'90 budget.

The projected cuts are as follows: Supported Work for the Mentally Retarded (\$92,322 cut; loss of services to 85 clients); Supported Work for the Mentally Ill (\$60,000 cut; loss of approximately 40 more clients with waiting list growing to 485); Supported Work for the Physically Disabled (\$5,000 cut; loss of two clients with waiting list growing to 25); Recreation (\$224,156 cut; program eliminated, 66 individuals affected); Housing for the Severely Disabled (cut \$20,823; one of the ten current slots will be eliminated, with the waiting list growing to 200); and Arts (\$120,699 cut; program eliminated).

Other programs are not cut, but because of increased costs, will have to decrease services again in FY'91. Home care is level funded, but anticipated rate increases mean that MRC will run a \$450,000 deficit for FY'91. In FY'90, cuts were handled by

reducing hours of service to everyone, and did not result in a waiting list. In FY'91, MRC expects a waiting list of 200 to develop immediately. Service hours for 1,300 current clients will be further reduced. Priority Two and Three clients will receive neither home care nor case management services. Caseloads for case managers are now so high that MRC says effective management cannot occur unless they are cut in half.

Independent Living Centers, having introduced waiting lists for the first time in FY'90, will see them double in size to 450 in FY'91. Three Independent Living Centers may have to close. Next year's waiting list for Turning 22 is expected to grow to 25. At the no tax budget level, one of the individuals currently in MRC Turning 22 program will lose services.

The Personal Care Assistance program is expected to reduce services by \$111,000 in FY'91, because there is no funding to pay for an anticipated rate increase. As many as 12 clients would lose these services from MRC. The agency hopes that these clients will be able to get personal care assistance through CommonHealth. If the House 1 proposal to close intake to CommonHealth passes, they will have no services at all. The waiting list for Extended Employment is expected to grow to over 560 in FY'91.

In all, waiting lists that are expected to total 5,250 by the end of FY'90 will grow to 9,960 in FY'91.

SAC

Recommendation:

Support the agency request.

Statewide
Head
Injury
Program
4120-0071

FY'89 Appropriation: \$ 8,044,990
FY'90 Funds Available: \$ 7,138,990
FY'91 Agency Maintenance Request: \$ 7,354,990
FY'91 House 1 No Tax Budget: \$ 6,985,990

The Statewide Head Injury Program (SHIP) was established in FY'86 to help people who survive traumatic head injuries but have serious handicapping conditions. According to a 1987 study, **The Status of People with Brain Injuries in Massachusetts**, there are 46,000 victims each year of auto accidents, gunshot wounds or other trauma who are treated for brain injury. Nearly half of these victims are children and young adults under 21 year of age. Almost 8,000 of the 46,000 individuals have traumatic head injuries, but do not qualify for aid provided to the developmentally disabled. Currently, only about 118 head injured clients receive case management and direct services such as day programs and supervised housing through SHIP. Only three are under the age of 22.

There are five case managers, each with a caseload of over 40; staffing has been frozen at this level for the past few years. The waiting list for services provided by SHIP is expected to be 1,205 by the end of FY'90.

After many years of planning, a Neurobehavioral Unit opened this year at McLean Hospital for persons with head injuries who require institutional care. At present, there are seven people in the unit: three funded through SHIP, and four through Medicaid. Another 31 people are on a waiting list. The program expects to expand to serve 12 to 14 people by the end of FY'90.

The House 1 proposal will require the equivalent of closing one of SHIP's five day programs. These programs each serve 20 to 25 people. There is no funding available for emergency services for the head injured. The Neurobehavioral unit at McLean will remain open, but would lose three SHIP-funded persons. The additional \$300,000 needed to annualize the McLean Unit's first year operating costs is not provided. Four other people with head injuries will lose access to inpatient hospital rehabilitation services. There is no inflation factor to cover anticipated cost increases in purchased services. There is no funding for ancillary services, such as transportation to get people to their programs. The SHIP waiting list is expected to grow to 1,585 by June, 1991.

The Governor's proposal includes the figure of \$7,137,990 as its maintenance, or "current services" budget. MRC believes the accurate figure is \$7,237,140, which would allow all the day programs to operate, and would prevent dropping the three slots in the Neurobehavioral unit.

SAC

Recommendation:

Support the agency request of \$7,354,990.

**MASSACHUSETTS
COMMISSION
FOR THE
DEAF AND HARD
OF HEARING
4125-0100**

FY'89 Appropriation: \$ 3,821,273
FY'90 Funds Available: \$ 3,511,496
FY'91 Agency Maintenance Request: \$ 3,555,294
FY'91 House 1 No Tax Budget: \$ 3,241,294

MCDHH was created in FY'87 to coordinate services for the 30,000 to 40,000 deaf and the 264,000 to 304,000 hearing-impaired individuals in the Commonwealth. MCDHH helps various state and local agencies become communication accessible to the deaf, provides information and referral services, and supplies

interpreters. Demand for interpreter services has increased significantly. In FY'85, there were about 4,000 requests for interpreters; in FY'89, the agency was able to meet 11,450 of the 14,494 requests it received. In FY'90, the number continues to climb, outstripping the agency's ability to provide interpreters. MCDHH expects to be able to meet about 11,830 of the 15,566 requests it plans to receive for interpreters this year.

MCDHH also provides case management services, Turning 22 services, and contracts for seven independent living programs statewide. MCDHH used to distribute telephone/telecommunications (TTY) devices for the deaf, but stopped in FY'89 because there were too few staff to run the program. The Commission also contracts for a message relay service which allows deaf persons with TTY equipment to communicate with hearing persons who do not have a TTY and vice versa. Services for children include needs assessment and consultation to early intervention and education programs.

MCDHH's FY'90 request covers maintenance. House 1 funds maintenance at a lower level and would require further staff cuts. MCDHH staff have declined 20 percent since July, 1988. If House 1 passes, there would also be a one-third cut in the Telephone Relay Service. MCDHH has filed H107, a bill which would make it the responsibility of the phone company to operate the relay system. In California and many other states, the telephone companies operate the system and add approximately ten cents to the monthly bill of all telephone users. The bill has been filed in previous years in Massachusetts, but a harder push is expected in 1990, because of the shortage of state funds.

SAC

Recommendation: Support the agency request.

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DEPARTMENT OF
PUBLIC WELFARE
Supplemental
Security
Income
4405-2000

FY'89 Appropriation: \$ 130,917,050
FY'90 Funds Available: \$ 127,428,000
FY'91 Agency Maintenance Request: \$ 130,228,378
FY'91 House 1 No Tax Budget: \$ 19,713,378

The Supplemental Security Income (SSI) program is a federal program which provides cash assistance to income eligible elderly, disabled and blind individuals through the Social Security Administration. Massachusetts is one of 43 states that provide a monthly payment to supplement the standardized federal benefit

levels. This account pays for the cost of those supplemental payments for the elderly and the disabled (line item 4110-1010 pays for similar benefits for the blind).

The amount of the monthly benefit depends on the living arrangements and income of the individual or family. The following table shows the maximum state supplement and federal benefit:

Recipient Category	State Supplement	Federal Benefit	SSI with Supplement
Elderly	\$128.82	\$386.00	\$514.82
Disabled	\$114.39	\$386.00	\$500.39
Blind	\$149.74	\$386.00	\$535.74

Automatic cost of living allowances authorized under federal law have kept these benefits at or near the poverty level. For FY'90, the SSI caseload is estimated at 111,754. Approximately 47,000 of these recipients are elderly, and about 64,000 are disabled, approximately 9,500 are disabled children.

This account also funds a small "Emergency Needs" program for SSI recipients, most of which pays for burial expenses.

The Governor's budget eliminates the state supplement for SSI. The remaining funding continues the state supplement in a few cases where the federal government requires it. In most cases, benefits will drop to the \$386 federal share. The 9,500 low-income disabled children receiving SSI will lose up to \$150 a month. If these children are in residential care, their state funded programs could lose that amount of money. The estimated 237 children who receive only the state supplement would lose funds and Medicaid as well.

SAC

Recommendation:

Support the agency request.

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**DEPARTMENT OF
MENTAL HEALTH**

**Turning 22
Services
5011-0006**

FY'89 Appropriation: \$ 1,265,000
FY'90 Funds Available: \$ 0
FY'91 Agency Maintenance Request: \$ 0
FY'91 House 1 No Tax Budget: \$ 0

This account is a reserve account which was established to pay for continuing services to the mentally ill who lose eligibility for Chapter 766 special education programs when they turn 22 years old. In FY'88, DMH served almost 60 Turning 22 clients.

All funds targeted for clients turning 22 in FY'89 were frozen and no new monies were appropriated in FY'90. There are currently 89 young people on this waiting list for Turning 22 services, and it is expected to reach 123 by the end of FY'91. DMH would have liked to request \$1.7M to serve 76 of the highest priority clients waiting for Turning 22 services.

House 1 eliminates this account. Young people who are mentally ill and need Turning 22 services will have to compete with adults in the already overburdened outpatient and inpatient adult mental health system (account #5046-0000).

SAC

Recommendation: Restore \$1.7M to the DMH budget to serve 76 top priority Turning 22 clients.

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**DEPARTMENT OF
EDUCATION**

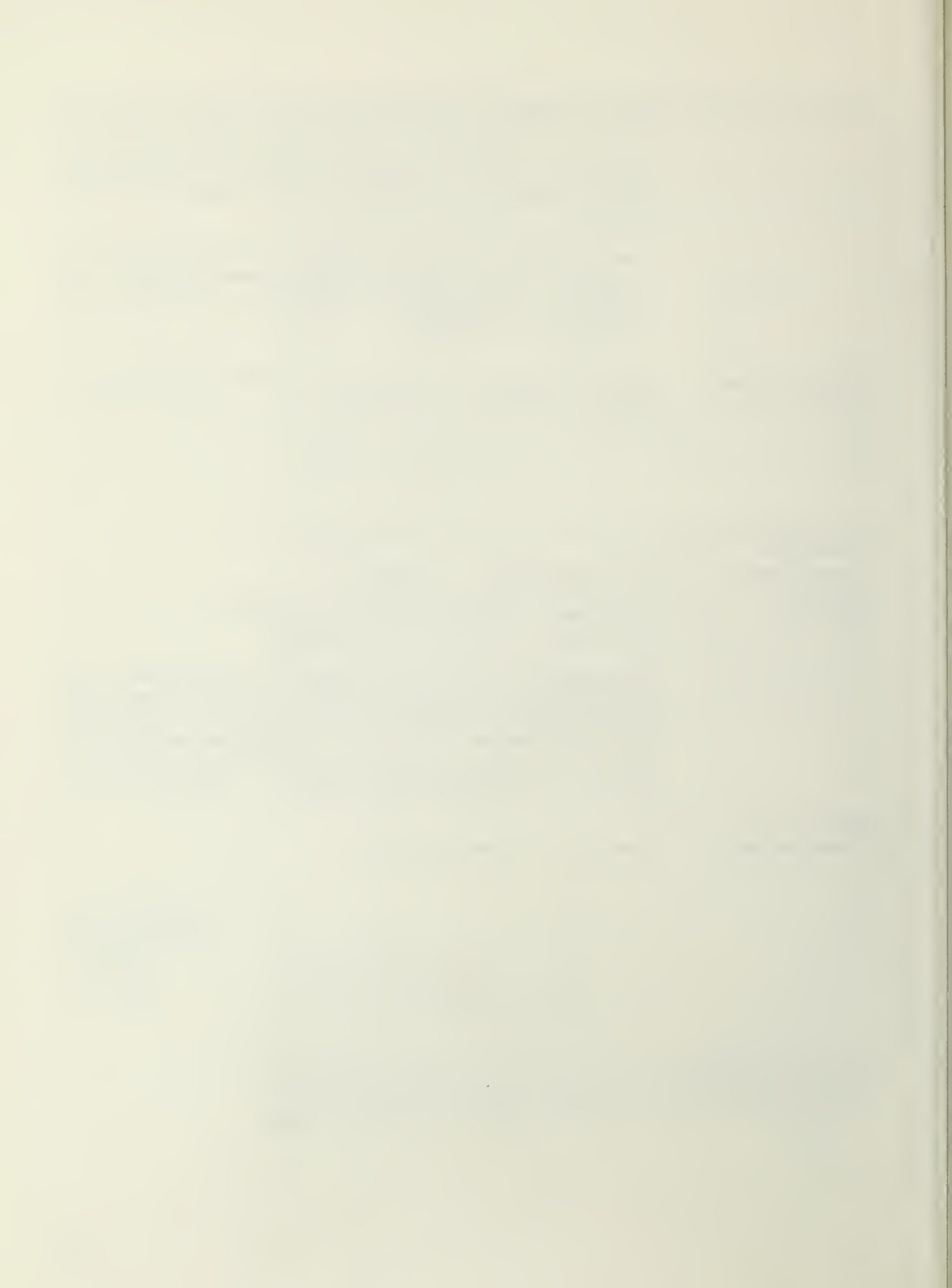
**Special Needs
Recreation
7061-0010**

FY'89 Appropriation: \$ 400,000
FY'90 Funds Available: \$ 100,000
FY'91 Agency Maintenance Request: \$ 100,000
FY'91 House 1 No Tax Budget: \$ 100,000

This account reimburses cities and towns for up to 50 percent of the cost of running recreation programs for school children with special needs. Because this account is never fully funded, the reimbursement rate was 17 percent in FY'89. The reimbursement rate fell to four percent in FY'90. Due to inflation, the reimbursement rate will fall even lower in FY'91 under the House 1 budget.

SAC

Recommendation: Restore to FY'89 appropriation level.



EDUCATION

During the 1980's, Massachusetts moved into the forefront of the education reform movement. While the federal government backed away from its already meager support for education programs, Massachusetts moved aggressively to invest in programs to improve educational opportunities for children at risk of academic failure. New education reform legislation — Chapter 188 in 1985 and Chapter 727 in 1988 — made public education more responsive to the needs of disadvantaged children.

Progress/Problems

The Department of Education estimates that there are 835,000 students in Massachusetts public schools. Eighty three percent of those who take statewide basic skills tests, pass those tests. The Commonwealth also ranks high in scholastic aptitude testing (SAT) - third in the number of students who take SATs and seventh in test scores - and in the number of students who take advanced placement exams.

However, serious problems remain which must be addressed. During the 1987/88 school year, 14,000 children aged 16 years or older dropped out of school. At that rate, 20 percent of the class of 1992 will not finish high school. In urban school districts, 9,274 students dropped out — a four year rate of 35 percent. While 42 percent of all students are from urban school districts, 63 percent of all school dropouts are from these areas. Twenty five percent of all students in urban school districts failed one or more basic skills test during the last testing period.

The Status of the Education Reform Movement

Most education reform watchers place the starting point of the reform movement at the release of the federal Department of Education's report "A Nation At Risk", in 1983. That report has been credited with stirring state and local governments into action. However, its recommendations for the adoption of rigorous top down academic models were not widely accepted by many progressive educators and child advocates. Espousing the progressive viewpoint, Massachusetts became part of a second wave of reform efforts described in a 1986 National Governor's Association Report entitled "Time for Results". That report emphasized school-based management, parental choice, a state role in improving the schools with the worst records, better use of technology in the classroom, and the development of innovative partnerships with the outside community, including the business and human services sectors.

Successful reform models have been developed in urban schools throughout the country. Because each school and its students are different, each effort relied on giving educators, parents and students the power to set tailored educational goals and then move aggressively to meet them. These programs have shown that when all parties are invested — the principal, teachers, the students and community, the chance of success is much greater.

Second wave reformers stress the need to make major structural changes in the way schools are run. This approach was confirmed at the President Bush's 1989 education summit. In the 1990s, education reform will create a system of accountability that focuses on results, rather than on compliance with rules and regulations. It will empower educators to set goals and

determine how to achieve them. It will also hold educators accountable for meeting the goals they set, ensure that every child can acquire the knowledge and skills required to participate in the economy; and foster active and sustained parental and community involvement in public education.

School Reform in Massachusetts

Massachusetts has begun to move forward in this direction. The Department of Education administers an array of programs which encourage systemic change and new ways of doing business. In a 1989 handbook on systemic change and dropout prevention, DOE cites the major components of systemic change in schools — school-based management; development of an educational climate that makes students comfortable and able to learn; academic, attendance, and disciplinary policies which help rather than punish students who are failing; new approaches to school organization, such as clustering; developing a network of support services for students within the schools; strong staff development programs; and parental involvement.

The priorities identified by the Department of Education for 1990 through 1992 also reflect this philosophy:

- **Equal Opportunity** - Chapter 188 targets resources toward at-risk youth and school districts with the largest numbers of those youth. The largest 188 program, Equal Education Opportunity Grants, was created to channel additional new resources to the 149 opportunity schools, those with the highest number of failing students in the state.
- **Educational Personnel** - The Department's goal is to attract more qualified individuals to the teaching profession by expanding professional development opportunities, and to recruit teachers who reflect the diverse communities they will serve.
- **Early Childhood Education** - The Department will emphasize programming that enhances the self-esteem of young children and begins building a strong foundation for academic achievement and success later in life.
- **Management and Support to Schools** - Several Chapter 188 and 727 programs are intended to encourage school-based management and community partnerships: school improvement councils, the Carnegie Schools Program, and school-based health education.
- **School Finance** - DOE supports a commitment to continued and reliable levels of local aid funding for education.

Impact of the Budget Crisis

The current budget crisis has limited the success of education reform in Massachusetts and threatens to end it altogether. Chapter 188 and Chapter 727 have never been fully implemented due to lack of funding. Additional resources have never been provided to the 149 opportunity schools. The full range of professional development programs within 188 have never been funded at levels requested by the agency and remain limited pilot programs. The two major discretionary grant programs - Early Childhood Education and Remedial Education/ Dropout Prevention - were cut by 25 percent and 60 percent respectively in FY'90. The centerpiece of Chapter 727, Carnegie Schools, remains limited to a few models of innovative school-based management, insufficient to start a groundswell of similar efforts across the state. The proposed FY'91 budget makes additional cuts.

Even more troubling is the uncertainty that the state's budget woes are causing within local schools. This year, cuts in local aid led to the cancellation of hundreds of classes affecting thousands of students across the state. Educators do not know what they can expect in direct state aid and in the availability of grant money from DOE in the coming year. In such an atmosphere, efforts to create structural change are in danger of being overwhelmed.

Special Education

Massachusetts has been a leader in the movement to educate disabled children and young adults since 1972, when it became the first state to pass a special education law. Prior to the passage of Chapter 766, handicapped children had to meet rigid criteria to be eligible for the few state or locally supported special education programs. These children were often stigmatized, or received no services at all.

Chapter 766, which applies to children from three to 22 years of age, was designed to focus on the needs of the child and to provide those services outlined in an individual education plan which was created to help the disabled child to develop to the fullest extent possible in the most appropriate least restrictive setting. Special education services range from support services in a regular education classroom to placement in a residential school program.

In school year 1988/89, 140,326 students received special education services through their local public school system, an increase of 6,715 students since 1985/86.

Over the past few years, there has been growing concern about the increasing number of children in special education programs and the increased proportion of special needs students receiving education in separate rather than integrated settings.

School Year	System Enrollment	Sp. Ed. Enrollment	Percent
82/83	920,114	130,028	14.1
85/86	854,603	133,611	15.6
88/89	833,970	140,326	16.8

The number of children in substantially separate classrooms or special education day and residential programs also increased. In school year 1985/86, there were 29,697 children in these programs. By 1988/89, there were 32,887 children in separate classrooms, day or residential programs, totally 23 percent of all special education placements.

In response, DOE is working to help schools find better ways to combine regular education and special education resources, and has developed a three year plan to increase delivery of special education services in less restrictive, more integrated settings. The plan has four key elements: coordination with human services agencies and constituency groups; training and technical assistance; model program development; and monitoring. Federal funds are being used to develop model programs in schools for certain populations - children with autism, children with head injuries, and children who are deaf or hard of hearing. The Department of Mental Retardation (DMR) is cooperating with DOE to develop community-based support services for autistic children, and is starting to plan ways to combined resources and develop more community-based programs for young people with mental retardation. It is hoped that increased availability of community-based extended day, after school and family support programs will allow young people to remain in their own communities and prevent placement in costly residential schools which are often far from their homes.

DOE also requires that the federal funds the state receives for early childhood education for children from three to five years of age are used to increase the numbers of programs that integrate special needs children with children who have no special needs.

State budget cuts have made it difficult for DOE to maintain the level of activity it had planned. While the new complaint management system is in a pilot stage and DOE expects to move ahead next year according to schedule, monitoring and technical assistance to local schools may be reduced.

Two of the six regional education centers have been closed. Staff who monitor private special education residential and day schools have been moved from the regions into central office and their numbers cut by half. DOE is concerned about its ability to carry out its three year monitoring cycle.

The following programs administered by the Department of Education have a major impact on the education of children in Massachusetts.

**DEPARTMENT
OF
EDUCATION
Early
Childhood
Education
7030-1000**

FY'89 Appropriation: \$ 10,000,000
FY'90 Funds Available: \$ 7,496,000
FY'91 Agency Maintenance Request: \$ 7,496,000
FY'91 House 1 No Tax Budget: \$ 7,400,000

This Chapter 188 program funds school districts to establish publicly run preschool, enhanced kindergarten, transition to first grade, and early education programs. Seventy-five percent of all funds are targeted to low income school districts. Provision of early childhood education is identified by the Board of Education as a priority for the next several years; the Board hopes to provide universal early childhood education by FY'92. Funding was reduced by 25 percent in FY'90, eliminating services to 520 children. This year, the program will serve 12,700 students in 148 school districts including 3,000 children in preschool programs, 8,430 children in kindergarten programs, 830 children in extended day programs, 300 children in day care programs, and 220 children in transitional first grade.

SAC

Recommendation:

Support DOE request to restore funding to the FY'89 level of \$10M.

**Head Start
7030-1500**

FY'89 Appropriation: \$ 6,000,000
FY'90 Funds Available: \$ 6,000,000
FY'91 Agency Maintenance Request: \$ 6,000,000
FY'91 House 1 No Tax Budget: \$ 6,000,000

This account provides subsidies to federally funded Head Start programs to support salary increases and expansion of services. It has been level funded since FY'89.

**SAC
Recommendation:**

Support House 1.

**Carnegie
Schools
7030-1600**

FY'89 Appropriation: \$ 1,000,000
FY'90 Funds Available: \$ 250,000
FY'91 Agency Maintenance Request: \$ 225,000
FY'91 House 1 No Tax Budget: \$ 200,000

The Carnegie Schools Program was created by Chapter 727 to develop innovative school governance approaches that would foster creativity and positive results in the form of well educated students. Individual schools receive grants to set up pilot programs which can be replicated by other school districts. Teachers and administrators in the participating schools are experimenting with such innovations as extending the school day, alternative curricula, local business partnerships, and parental involvement. The program expects each school will receive funding for at least four years, in order to fully institutionalize the changes they make.

In FY'90, seven schools received implementation grants of \$29,000 and two more have small planning grants. House 1 reduces funding by \$25,000. At that level, the nine participating schools can expect to be funded at about \$22,000 in FY'91.

**SAC
Recommendation:**

Support the original FY'89 appropriation of \$1,000,000.

**Basic
Remediation
7030-2000**

FY'89 Appropriation: \$ 9,000,000
FY'90 Funds Available: \$ 3,625,000
FY'91 Agency Maintenance Request: \$ 3,625,000
FY'91 House 1 No Tax Budget: \$ 2,000,000 ,

This account funds two discretionary grant programs — remedial education for grades one through nine and dropout prevention programs for grades seven through 12. Remedial programs include instruction in math, science, and reading for students who tested poorly in those subjects. Dropout programs include individualized counseling for at-risk students. In FY'90, the Governor vetoed or withheld 60 percent of the funding. DOE has awarded approximately \$2.4 million to 85 communities for remedial instruction, and approximately \$1.2 million for dropout prevention programs in 36 communities.

In FY'91, DOE plans to combine the remedial skills and dropout programs. Communities will apply for funding for both grants through a single application. New guidelines require school districts to structure programs in a manner that assures systemic school change. The Department's experience with dropout prevention is that institutional policies and practices within schools, such as suspending students for disciplinary reasons, contribute to dropout, truancy, and academic failure. In a 1984 report on dropout prevention, DOE notes that "fundamental changes are needed in traditional school governance policies, programs and practices to improve student learning and development, enhance the school climate, and support teachers as professionals."

House 1 reduces funding for this program by an additional 45 percent. The Department estimates that at least one-third of all participating communities will be dropped from the program. Others will be forced to absorb further cuts in local budgets.

**SAC
Recommendation**

Restore funding to FY'89 level.

**Commonwealth
Futures
7030-2001**

FY'89 Appropriation: \$ 1,000,000
FY'90 Funds Available: \$ 800,000
FY'91 Agency Maintenance Request: \$ 800,000
FY'91 House 1 No Tax Budget: \$ 100,000

Commonwealth Futures is one of the five programs created in 1986 by the Governor's Office to "bring down the barriers to opportunity." It is a competitive grant program which assists participating communities with large numbers of students at risk of academic failure in planning

and implementing a comprehensive community-wide response to students' problems. In FY'90, 13 communities received funding from this account. Futures also receives funds from the federal Job Partnership Training Act (JPTA), and four of the 13 communities receive funding from the McConnell Clark Foundation. Futures communities also may apply for Chapter 188 dropout prevention funds and a Department of Employment and Training program (funded through DPW's E.T. Choices Program) for pregnant and parenting teens. Communities apply for these funds through a single integrated application.

The FY'91 Futures budget is cut by 88 percent. The number of participating communities will be reduced. Funding will not support a full time Futures manager in the Futures communities. Dropout Prevention and JPTA funds will be distributed through separate Requests for Proposals. The JPTA funds will not be held aside exclusively for youth programs as they were in FY'88, FY'89, and FY'90.

SAC

Recommendation:

Restore funding to level in current services budget, \$800,000.

**Leadership
Academy
7030-3000**

FY'89 Appropriation: \$ 500,000
FY'90 Funds Available: \$ 202,500
FY'91 Agency Maintenance Request: \$ 202,500
FY'91 House 1 No Tax Budget: \$ 200,000

The Leadership Academy is the only 188 program for school administrators. Now in its forth year, the academy operates several programs:

- **Fellowships** - three or four administrators are granted funds to cover part-time sabbaticals for research and to work with other school districts interested in their particular area of expertise.
- **Leadership Institutes** - year long training programs which cover topics such as basic leadership and supervision, curriculum renewal, and early childhood education in public schools.
- **Leadership Clinics** - a series of less intensive training sessions.
- **School-business collaboratives** - partnerships between schools and local businesses like the "Adopt-A-School" programs.

Because of lack of funding, the academy has never fully realized its goals. Uncertainty about FY'91 has delayed any application process from moving forward which will make scheduling the FY'91 institutes difficult, since they normally begin in the summer. The Board of Education sought \$500,000 for the program.

SAC

Recommendation: Support agency request.

**Lucretia
Crocker
7030-4000**

FY'89 Appropriation: \$ 504,000
FY'90 Funds Available: \$ 504,000
FY'91 Agency Maintenance Request: \$ 504,000
FY'91 House 1 No Tax Budget: \$ 504,000

This Chapter 188 program awards fellowships to public school teachers who have developed innovative educational programs and curricula. Fellows spend one year conducting workshops and disseminating their programs to schools selected as adopting sites. Ten to 15 fellows are selected and up to 100 schools receive mini-grants to replicate the model programs and curricula. The program is level-funded in House 1.

SAC

Recommendation: Support House 1.

**Education
Technology
Trust
7030-5000**

FY'89 Appropriation: \$ 300,000
FY'90 Funds Available: \$ 100,000
FY'91 Agency Maintenance Request: \$ 100,000
FY'91 House 1 No Tax Budget: \$ 0

This is a discretionary grant program which seeks to integrate technology into the classroom. It also receives funds annually from the DOE capital account.

Funds have been used for such purposes as introduction of computers into the classroom or assembling a weather station. DOE seeks to restore the program to the FY'89 level.

SAC

Recommendation: Support agency request.

**Gifted
and
Talented
7032-0211**

FY'89 Appropriation: \$ 750,000
FY'90 Funds Available: \$ 0
FY'91 Agency Maintenance Request: \$ 750,000
FY'91 House 1 No Tax Budget: \$ 0

In FY'89, over 80 school districts received discretionary grants for programs to serve gifted and talented children. Fifty percent of the funding was targeted to low income districts. Funds are used for arts enrichment, encouragement of critical and creative thinking, and opportunities for community collaboration. In FY'90, funding was eliminated. House 1 does not restore funding.

**SAC
Recommendation:**

Restore funding to FY'89 level.

**Comprehensive
Health
Education
7032-0500**

FY'89 Appropriation: \$ 1,500,000
FY'90 Funds Available: \$ 1,350,000
FY'91 Agency Maintenance Request: \$ 1,350,000
FY'91 House 1 No Tax Budget: \$ 1,012,000

This discretionary grant program provides communities with funds to establish health-related programs in the public schools, including programs which address teen pregnancy, violence prevention, and substance abuse. In FY'89, the program awarded \$1.4 million to 31 communities. As planned, communities receiving funds for the third year in FY'89 were not eligible for funding in FY'90. These communities are taking steps to gain other funds to continue programming. Before cuts in local aid were implemented in FY'90, half had done so.

In FY'90, funding was reduced by ten percent. House 1 reduces funding by an additional 25 percent. DOE will have to either drop some communities or reduce grants across the board.

**SAC
Recommendation:**

Support Agency Request.

**School
Aid
(Chapter 70)
7061-0008**

FY'89 Appropriation: \$ 1,218,034,480
FY'90 Funds Available: \$ 1,008,543,471
FY'91 Agency Maintenance Request: \$ 1,008,543,471
FY'91 House 1 No Tax Budget: \$ 978,076,715

This account, as well as a separate account which provides "Additional Assistance" to cities and towns, funds local aid to public school

districts and other activities and services provided by municipal government. Not all Chapter 70 funds are spent on education. DOE estimates that 45 percent of all funds provided to cities and towns through this account and the Additional Assistance account are used to support public education.

A ten percent reduction in local aid in FY'90 reduced aid to public schools by about \$100M this year. During the current school year the equivalent of 2,667 full-time teachers and administrators have been laid off, 563 elementary courses affecting 14,000 children have been eliminated, and 913 secondary courses affecting 18,000 students have been eliminated.

The Governor has said that if the FY'90 budget deficit of \$500M is not closed through a tax increase he will withhold that amount in additional local aid payments due to be paid to cities and towns in June. Some schools districts have speculated about the possibility of shutting schools down early if additional aid is cut. The Commissioner of Education has taken a firm position that regardless of cuts in state aid, all schools must be in session for the full 180 days required by law.

House 1 reduces school aid and additional assistance by another three percent. That would result in a reduction of about \$19 to \$20M in aid to public schools.

SAC

Recommendation:

Support the agency maintenance request.

**Equal
Education
Opportunity
Grants
7061-1000**

FY'89 Appropriation: \$ 139,348,584
FY'90 Funds Available: \$ 108,749,617
FY'91 Agency Maintenance Request: \$ 145,000,000
FY'91 House 1 No Tax Budget: \$ 109,919,379

More than half of the funding mandated in Chapter 188 is provided to school districts through this program. Assistance is provided to school districts according to the average per pupil expenditure. The intent of the program is to make educational expenditures at the local level more equitable across the state. DOE never received \$20 million which is needed to implement a second phase of education reform which targeted 149 so-called "Opportunity Schools", defined in Chapter 727 as schools which are the least successful in achieving their educational goals and whose students are most at risk of academic failure.

Since FY'89, the program has made no further progress toward its original goal of closing the spending gap between affluent and lower income school districts. With subsequent cuts in education aid it must be assumed the gap has widened.

SAC

Recommendation:

The agency request of \$145M includes funding for the opportunity schools.

**School
Improvement
Councils
7061-4000**

FY'89 Appropriation: \$ 10,100,000
FY'90 Funds Available: \$ 1,714,000
FY'91 Agency Maintenance Request: \$ 1,714,000
FY'91 House 1 No Tax Budget: \$ 1,500,000

School Improvement Councils are school-based advisory councils authorized to expend funds to create alternative innovative education programs. These programs are designed to meet the needs of students, teachers, parents, and the community surrounding individual schools. Successful projects have included computer instruction and science activities.

Chapter 727 mandated that DOE provide each public school with \$15 per pupil to fund the Councils. In FY'89, funding was reduced to \$8.00/student. In FY'90 it dropped to \$2.44 per student. House 1 calls for spending \$1.83 per student.

SAC

Recommendation:

Restore funding to FY'89 level.

**Horace
Mann
Teacher
Grants
7061-5000**

FY'89 Appropriation: \$ 7,409,146
FY'90 Funds Available: \$ 1,014,499
FY'91 Agency Maintenance Request: \$ 1,014,499
FY'91 House 1 No Tax Budget: \$ 1,000,000

Horace Mann grants are awarded to teachers who agree to accept expanded responsibilities in such areas as curriculum development and teacher training. Each district receives an amount based on the number of the teachers in the district. Appointments are made by school committees. Each teacher can receive up to \$2,500. In FY'90, less than 2000 teachers received awards, down from more than 7,000 in FY'89. House 1 essentially level funds the program.

SAC

Recommendation:

Restore funding to FY'89 level.

SPECIAL EDUCATION

DEPARTMENT OF EDUCATION

**Local
Education
Authority
Incentive
Grants
7028-0101**

FY'89 Appropriation: \$ 839,759
FY'90 Funds Available: \$ 200,000
FY'91 Agency Maintenance Request: \$ 200,000
FY'91 House 1 No Tax Budget: \$ 0

This account pays to develop programs for children who return to their communities from institutional settings. The number of children eligible for these grants has decreased because children are no longer being admitted to state hospitals and state schools, and those already under treatment are growing older. In FY'89, school systems received funds to deinstitutionalize 63 of these children.

Currently, DOE is funding programs for 15 students. Funding is not available to accept new students. House 1 will not allow DOE to fund programs for 11 students who are already approved for participation. No new incentive grants will be available. The Board of Education requested an appropriation of \$400,000 in both FY'90 and FY'91, which would have allowed additional incentive grants to bring home new students.

SAC

Recommendation:

Support the Board of Education's request of \$400,000 in this account.

**Private
School
Payments
7028-0302**

FY'89 Appropriation: \$ 9,000,000
FY'90 Funds Available: \$ 7,295,000
FY'91 Agency Maintenance Request: \$ 7,445,000
FY'91 House 1 No Tax Budget: \$ 7,000,000

This account pays the private school costs of special needs children who have no father, mother, or guardian living in the Commonwealth, and for those few children who were served under Chapter 750 (the old special education law) and remain the responsibility of the Department of Education until they turn 22 years old. There were 2,200 Chapter 750 students in 1974; today there are only 60. Even though the number of Chapter 750 students is decreasing, the number of eligible children without parents or guardians is increasing each month by 15. DOE estimates 150 will require services in FY'91.

The House 1 recommendation will cover the FY'91 cost for eligible children, if the number of children with no parents stabilizes. If the number increases DOE will have to request a supplemental budget in FY'91.

SAC

Recommendation:

Support House 1.

**DEPARTMENT OF
EDUCATION**

**Special Needs
Recreation
7061-0010**

FY'89 Appropriation: \$ 400,000
FY'90 Funds Available: \$ 100,000
FY'91 Agency Maintenance Request: \$ 100,000
FY'91 House 1 No Tax Budget: \$ 100,000

This account reimburses cities and towns up to 50 percent of the cost of running recreation programs for school age children with special needs. Because this account is never fully funded, the reimbursement rate was 17 percent in FY'89. The reimbursement rate in FY'90 fell to just four percent. House 1 level funds the program. Due to inflation, the reimbursement rate will fall further in FY'91.

SAC

Recommendation:

Restore to FY'89 appropriation.

**Non-Educational
Residential
Cost (60/40)
7061-0012**

FY'89 Appropriation: \$ 25,300,000
FY'90 Funds Available: \$ 25,500,000
FY'91 Agency Maintenance Request: \$ 38,526,228
FY'91 House 1 No Tax Budget: \$ 35,508,044

Designed to reduce the burden on local school systems for funding the residential portion of costly private residential schools, this account is in deficit nearly \$5 million in FY'90. There are 942 children in residential placements already funded by the Department. Twelve new children are approved for placement each month.

House 1 includes significant expansion in this account to cover the continuing increase in the number of children served and in the cost of placements for these seriously impaired children.

House 1 is \$3 million less than the current services budget. The House 1 narrative states that DOE will save \$3 million by denying automatic

cost of living adjustments to private schools. This policy change requires statutory approval.

SAC

Recommendation: Support House 1.

JUVENILE JUSTICE

The responsibility for providing services, care and protection for children who are runaways or charged as delinquent is shared by the judicial system and human services agencies.

Human services agencies provide assessments, detention and other services to children referred or committed to them by the courts. The Department of Mental Health (DMH) funds specialized staff for court clinics. The Department of Social Services (DSS) provides comprehensive services to children designated by the courts as "Children in Need of Services" (CHINS). The Department of Youth Services (DYS) provides detention for children awaiting trial, as well as comprehensive services to children referred or judged to be delinquent by a Juvenile or District Court.

Courts and Juveniles

Not all juveniles who appear before courts are committed to DYS or to DSS. Many work with juvenile probation officers to get the services they need. Caseloads of juvenile and adult probation officers have increased over the past two years as a result of budget cuts. There are currently 1,011 probation officers across the state, 65 fewer than there were in July of 1988. About one in four probation officers handle juvenile cases that come before district and juvenile courts. Some work only with juvenile cases, others work with juveniles and adults. Positions were selectively frozen in FY'89; in FY'90 hiring is frozen completely. This means there are between fifteen and twenty fewer probation officers handling juvenile cases.

According to a Massachusetts Probation Assessment Report prepared in 1987 for the Chief Administrative Justice of the Trial Court, probation officers evaluate the personal, family and social problems of juveniles, develop an action plan, and coordinate community resources most appropriate for the juvenile and her/his family. Not only do higher caseloads make this more and more difficult, but cuts in community programs have been devastating. According to the Office of the Commissioner of Probation, the breakdown in the community social service support system is creating extremely difficult problems for juvenile probation officers. Cuts in funding or lack of expansion in community drug treatment programs, literacy and dropout prevention programs and in-court clinic staff have left probation officers with few if any services to access.

Department of Youth Services

Since 1972, when Massachusetts closed its custodial institutions for delinquent youth, the Department of Youth Services (DYS) has provided community based treatment for preadolescents and teenagers from seven to 17 years of age who are committed to its care by the courts. The National Council on Crime and Delinquency, in a study on recidivism - repeating an offense or committing another - released in December of 1989, cited Massachusetts as more successful at reducing crime among juveniles than any other state. The study confirmed that the community based approach used by DYS works, and is more cost effective than operating large institutions, the practice used by most other states. But increased caseloads and reduced staffing is putting a strain on the DYS system.

On any day, DYS is currently responsible for between 1,600 and 1,800 court committed or detained youth. Court commitments to DYS have increased by over 17 percent in the past year. The detention system is overcrowded. DYS detention must serve both adolescents who are committed to DYS and waiting for residential placements and those who are awaiting trial. A

number of these adolescents are runaways who are before the courts on CHINS petitions and placed in detention by judges who are concerned about their safety. The number of youth in detention has increased by over 11 percent without a corresponding increase in resources. On any night, up to 50 detained youth are sleeping on gym floors or in classrooms and intake units because all of the 174 detention beds available statewide are full.

According to a January, 1990, DYS report prepared for the state's Anti-Crime Council, the number of Massachusetts youth between the ages of ten and 16 years has declined by 174,000 in the last ten years. The number of juveniles charged with crimes has also decreased, from 25,943 in 1980 to 18,902 in 1989. Yet a higher percentage of those charged with crimes are committed to DYS, and these youth are committing more serious and violent crimes.

In 1989, courts committed 837 youths to DYS - 123 more than the previous year. During the same period, there were 3,033 young people placed in detention with DYS statewide, 308 more than the previous year, an increase of 11.3 percent. According to DYS, the number of juveniles detained by DYS on drug dealing charges rose 915 percent in the three year period from 1986 to 1989.

Despite increasing caseloads, DYS has experienced staffing and program cuts since FY'89. Approximately 350 to 550 of the youth involved with DYS are living at home under the supervision of a caseworker. However, the account which funds caseworkers has seen a ten percent staff reduction since July 1, 1988, and a six percent reduction since the beginning of FY'90. This account is further reduced in House 1, as is the Administrative Account. With a 23 percent administrative staff reduction since July 1, 1988, fewer and fewer staff continue to be responsible for the coordination of programs for more and more youth.

Reflecting the need for more residential programs for youth detained and committed by the courts, DYS has submitted an emergency request for funding for 100 new beds. These beds are needed to alleviate overcrowding and to assure that youth are placed in programs that provide an appropriate level of security. The administration supports the proposal, but has been unable to fund the initiative. House 1 does not include funding for existing residential programs. If House 1 recommendations for these accounts are adopted, DYS projects the loss of 43 detention and treatment beds in FY'91. A secure detention program, slated to open this year, would have to close.

CHINS

Each year approximately 6,000 young people who have run away or are otherwise in trouble, are brought before the courts under the CHINS law. The 1989 report of the Special Commission on Children in Need of Services (CHINS) found that while the number of CHINS petitions has increased steadily in the past seven years, adequate services have never been provided to the youth who need them. DSS is responsible for serving CHINS youth referred or committed to them by courts. DSS cuts mean fewer of these young people will receive services.

Runaways and Local Lockups

Additionally, Massachusetts is working toward compliance with a federal statute that prohibits youth who are not charged with a crime from being held in a jail cell and limits the time delinquent youth can be held at an adult facility to six hours. Federal funds have been made available to create alternative systems and services in 63 towns and cities for youth who are picked up by local police. These pilot systems will serve as models for other communities. Without emergency shelters or crisis intervention systems, young people will continue to be held

inappropriately in jails and local police lock-ups.

Recent state budget cuts are seriously affecting an already overloaded system and the troubled young people it was created to help. Without adequate funds, the progress made during the last 17 years will be undermined.

**DEPARTMENT
OF YOUTH
SERVICES
DYS
Administration
4200-0010**

FY'89 Appropriation: \$ 3,700,000
FY'90 Funds Available: \$ 3,375,976
FY'91 Agency Maintenance Request: \$ 3,345,243
FY'91 House 1 No Tax Budget: \$ 3,339,613

The DYS Administration account funds the Department's central office operations. Personnel in this account coordinate programs, provide necessary legal services, manage detention populations, secure treatment classification hearings, and coordinate maintenance and facility upkeep. In addition, necessary support activities — accounting, contracting and personnel functions — are funded through this account. The central office account has seen continued decreases in personnel since 1988. Current staffing levels are down 18 percent since July of 1988. Only one vacancy in this account has been filled since December of 1988. The Department is finding it increasingly difficult to perform necessary monitoring, reporting and evaluation tasks and to manage a growing client population.

House 1 funds maintenance at a lower level. DYS will continue to have fewer staff responsible for coordinating programs for more youth.

**SAC
Recommendation:**

Support the agency request.

**Residential
Care Program
4202-0021**

FY'89 Appropriation: \$ 35,718,000*
FY'90 Funds Available: \$ 37,500,000
FY'91 Agency Maintenance Request: \$ 42,861,685
FY'91 House 1 No Tax Budget: \$ 36,688,685

*This includes an FY'89 supplemental budget.

This account contains funds used to purchase residential and non-residential services including secure treatment, group care, foster care, detention, counseling, and day treatment from non-profit agencies. Many DYS detention and treatment programs are funded by this account.

Funding for this account increased in both FY'88 and FY'89. Funds added in FY'90 represent annualization of previous initiatives including group care for Metropolitan Boston area youth and day treatment programming.

The account faces an FY'90 deficiency of \$331,000 because special education program rates increased. The Administration has supported funding of this unavoidable deficiency.

The ongoing problems facing the Department's detention system have been exacerbated by rising numbers of youth, an increasingly dangerous population, and the temporary closing of a facility in March of 1989. The number of youth detained on bail status has doubled since 1983. The increase in 1989 was 11 percent over 1988. Currently 50 youth per night sleep on gym floors, intake units, hallways, and other non-residential areas.

The Department has submitted a request to EOHS and the Executive Office of Administration and Finance (A&F) for 100 additional beds to alleviate the nightly detention overcrowding and enable the Department to place youths in settings which will offer the security necessary to ensure public safety. Youth awaiting appropriate secure programs frequently occupy slots in less restrictive environments and cause a ripple effect by displacing other youth who need those programs. The extreme situation occurs when a youth who needs a residential program must be returned home prematurely. The Administration supports the Department's 100-bed request, but has been unable to fund the initiative, even though the Department's overcrowding has been declared an emergency. Should the emergency expansion be funded in either FY'90 or FY'91, the services would include:

Secure Programs:	\$2,000,000	(30 beds)
Transitional Beds:	\$1,560,000	(36 beds)
Group Care Beds:	\$1,470,000	(34 beds)

Before a youth is placed in secure treatment, a panel must review the case and decide that he or she needs such a program. The Department maintains a waiting list of youths awaiting hearings for entry into secure treatment and for youths waiting for Secure Treatment. Currently, 47 youth who need secure treatment are waiting for openings in a variety of less appropriate settings. Despite a 33 percent increase in hearings, the number of youth both awaiting hearings and awaiting placement has risen. Mandatory hearings have risen dramatically as youth committed to the Department are sentenced for more serious crimes.

House 1 does not include funding for the 100 requested beds, and reduces the base by \$1.1 million. This will reduce current DYS residential capacity by 43 beds: 28 funded by this account, 15 funded by the consolidated secure facilities account.

SAC

Recommendation: Support the agency request.

**Community
Based
Treatment
Units
4237-1010**

FY'89 Appropriation: \$ 6,250,000
FY'90 Funds Available: \$ 6,201,836
FY'91 Agency Maintenance Request: \$ 6,260,257
FY'91 House 1 No Tax Budget: \$ 5,964,989

The Community Based Treatment account funds the Department's case management system. Every youth committed to the Department is assigned to a caseworker. Caseworkers oversee the youths' treatment and make assessments, referrals, and recommendations for changes. After completing intensive programming, committed youth are returned to the community under the supervision of a caseworker. Should a youth violate the conditions of release, caseworkers make recommendations for his/her return to a more restrictive setting.

This account has been cut in recent years. The FY'90 appropriation level of \$6.25 million equals the FY'89 appropriation. Staffing levels have dropped from 180 in July of 1988 to 163 in December of 1989. Caseworkers have been unable to adequately supervise youth which has resulted in increased recidivism.

House 1 underfunds this account by almost \$300,000, which would result in a reduction of ten casework positions.

SAC

Recommendation: Support the agency request.

**Consolidated
Secure
Facilities
4238-1000**

FY'89 Appropriation: \$ 11,630,000*
FY'90 Funds Available: \$ 11,932,774
FY'91 Agency Maintenance Request: \$ 12,299,418
FY'91 House 1 No Tax Budget: \$ 11,737,552

*Includes \$230,000 supplemental budget.

This account supports detention, treatment and transitional management programs as well as the Stephen L. French Forestry Camp. Programs funded in this account serve the Department's most challenging youth. Staffing levels must be kept at a number which ensures the safety of youth, staff and the public. In FY'90, the Department anticipates opening the recently renovated Grafton Oaks "A" Cottage which will replace beds eliminated when the Department lost a lease for a Mattapan facility in March of 1989. These beds will enable the Department to minimize the use of inappropriate non-residential areas for overnight accommodation.

This account has been severely affected by both detention overcrowding and loss of positions. Programs in this account have had to add beds and operate with fewer staff. Operating budgets were reduced to balance the budget. DYS has had to increase overtime use to staff non-residential areas of facilities on an overnight basis. For FY'91, the Department faces a cut in this account, which may force a loss of 15 beds and closure of the Grafton Oaks program. The FY'91 House 1 recommendation is \$561,000 less than the FY'90 appropriation and will have a lasting impact on the Department's ability to operate safe and secure programs under this account.

SAC

Recommendation:

Support the agency request.

**DEPARTMENT
OF
MENTAL
HEALTH
Forensic
Mental
Health
5049-0000**

FY'89 Appropriation: \$ 7,615,118
FY'90 Funds Available: \$ 6,907,716
FY'91 Agency Maintenance Request: \$ 6,919,589
FY'91 House 1 No Tax Budget: \$ 6,683,924

This account funds mental health services for court referred or committed persons, some of whom are children.

Prior to FY'88, only the Boston Juvenile Court, the Springfield Court and the Roxbury District Court had clinical staff who specialize in serving adolescents. Since then, expansion in DMH forensic services has added adolescent specialists in Fall River, Taunton and Attleboro. In addition, clinical staff have been added to district courts serving both adolescents and adults in the following areas: North Worcester, South Worcester, Westfield, Holyoke, Chicopee, Northampton, with a part time clinical psychologist added to the Northern Berkshire District Court. The proposal to add an adolescent specialist to Essex Regional Juvenile Probation was caught in the FY'89 freeze.

In FY'90, the Governor vetoed \$500,000 of the proposed \$7.67 million appropriation; the legislature later reduced the account to \$6.9 million. This resulted in reduced capacity for court clinic evaluations and a cutback in mental health services in county jails.

House 1 is \$235,665 below the DMH maintenance request and carries forward FY'90 service cuts. DMH includes restoration of \$500,000 for forensic services among its priority funding needs for FY'91.

SAC

Recommendation:

Support the agency request and add \$500,000 to restore DMH priority services.

CHILDREN'S BUDGET ACCOUNTS INDEX*

* All child-related accounts appearing in House 1 are listed on the following pages.

BASIC HUMAN NEEDS

Dept.	Account	Description	Page
DOR	1201-0160 Chlld Support Enforcement	Administers the Chlld Support Enforcement program,, responsible for representing and collecting chlld support for all custodial parents.	9
EOCD	3000-0301 3000-0302 3000-0303 Gateway Cities Program	Provides grants and ad- ditional local aid to communities with large populations of non- English speaking recent immigrants.	10
EOCD	3722-8878 Rental Development Action Loans	Funds existing gap be- tween state and federal housing development program assistance and level of subsidy neces- sary for affordability.	10
EOCD	3722-8880 Home Ownership Opportunity	Provides general reve- nue funding to the low- interest mortgage pro- gram of MHFA.	11
EOCD	3722-9001 Neighborhood Housing Grants	Maintains a revolving fund for loans to low and moderate income homeowners for repairs and improvements.	12
EOCD	3722-9006 Homelessness Prevention	Provides Chapter 707 rental assistance certifi- cates to prevent homelessness.	13
EOCD	3722-9018 Supportive Services	Funds remedial educa- tion, employment and training services, and day care development in pubic housing.	14

EOCD	3722-9024 Housing Subsidies	Funds state subsidies for low income tenants in both public and pri- vate housing.	14
EOCD	3722-9027 State Housing Assistance for Rental Production (SHARP)	Subsidizes private rental housing in which 25 percent of the units built or renovated are re- served for low income households.	15
EOCD	3743-2036 Housing Services	Provides support through counseling, workshops and landlord/ tenant mediation to pre- vent low income tenants and homeowners from losing their homes.	16
EOCD	3743-2037 Program to Alleviate Poverty	Supplements federal funds for Community Action Programs.	
EOCD	3745-1000 Emergency Fuel Assistance	Provides assistance for fuel bills, up to a maxi- mum payment set by federal guidelines, for households eligible for federal assistance but for which federal funds no longer exist.	17
EOCD	3748-0010 Residential Lead Paint Grant and Loan Program	SEE HEALTH, NUTRITION AND SAFETY SECTION	

DPW	4400-1000 DPW Administration	Administers central and area DPW offices and several programs including Food Stamp Administration and Project Good Health.	18
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DPW	4400-1009 Employment and Training and Voucher Day Care	Offers service to AFDC recipients including career assessment, basic or college education, vocational skills training, supported work, and child care.	19
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ALSO SEE CHILD CARE SECTION

DPW	4402-5000 Direct Medical Assistance (Medicaid)	Administers a program which provides free medical services to all financially and medically needy families and individuals.	49
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DPW	4403-2000 Aid to Families with Dependent Children	Provides monthly benefits to all financially eligible families with children.	20
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DPW	4403-2100 Emergency Assistance	Funds stays in hotels or motels for homeless families, pays for back rent and utility bills to prevent homelessness.	21
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DPW	4406-2000 General Relief	Provides cash assistance to income-eligible families and individuals not eligible for other state or federal public assistance programs.	22
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DPW	4406-3000 Homelessness Program	Supports 50 to 75 per- cent of the costs of the shelters operating in the state.	23
DPW	4406-5000 General Relief Health Plan	Provides medical care for General Relief recipients through a comprehensive range of in- and out-patient care.	
SEE ALSO HEALTH, NUTRITION AND SAFETY			
DPW	4407-1010 General Relief Employment and Training	Funds a voluntary Employment and Training Program for General Relief recipients.	
DSS	4800-0050 New Chardon Street Home	Funds operation of the New Chardon Street Home for Women, a temporary shelter for women and their children.	24

CHILD AND FAMILY SUPPORT

Dept.	Account	Description	Page
OFC	4130-0001 Administration	Funds central Office for Children expenses and the Disabilities Law Center contract that provides representation for children in special education appeals, Legal office.	38
OFC	4130-0002 Children's Trust Fund	Supports community-based prevention program development.	39
OFC	4130-0007 Community Based Child Welfare Services	Provides funding for OFC staff in the Help for Children, and Volunteers for Children Programs.	38
OFC	4130-0720 Teenage Pregnancy Prevention	SEE HEALTH, NUTRITION, AND SAFETY	
DSS	4800-0015 Central/Regional Administration	Funds DSS central office administration including the Commissioner's office and systems, and a Springfield support office.	
DSS	4800-0020 Permanency Services	Funds the administration and implementation of DSS adoption services, including adoption subsidies and guardianships.	40
DSS	4800-0025 Foster Care Review	Provides foster care review on all children in substitute care.	41

DSS	4800-0030 Foster Care Subsidies, Reimburse- ments and Related Contract Services	Provides for foster care services including reim- bursements to foster parents, clothing allow- ance, extraordinary ex- penses, and training.	41
DSS	4800-0041 Group Care Services	Funds placements in residential programs for DSS children including the Adolescent Network.	42
DSS	4800-0150 Area Office Administration	Funds area office administration.	
DSS	4800-0250 Area-Based Direct Services	Provides funding for DSS social workers and the majority of DSS social services including counseling, emergency shelter and family planning.	42
DSS	4800-1040 Public/Private Partnership Program (PPPP)	Matches 25% private sector costs with 75% state funds for private sector programs.	43

CHILD CARE

Dept.	Account	Description	Page
DCPO	1102-3210 Child Care Pool	Establishes a child care pool account to start up six to eight child care centers for state employees each year.	
EOCD	3722-9018 Supportive Services	SEE BASIC HUMAN NEEDS SECTION	
EOHS	4000-0770 Provider Salaries	Provides funds to upgrade salaries for human service and day care providers.	28
OFC	4130-0005 Field Operations	Provides funding for OFC Licensing Program field operations.	28
OFC	4130-0006 Day Care Training	Provides training for family day care, school-age and group day care workers.	30
OFC	4130-0016 Child Care Resource and Referral	Funds a statewide network of Child Care Resource and Referral services.	30
DPW	4400-1009 Employment/ Training and Voucher Day Care	Funds day care costs for AFDC mothers participating in the DPW Employment and Training (ET) Program.	31
		ALSO SEE BASIC HUMAN NEEDS SECTION	
DSS	4800-0060 Day Care	Provides state-supported day care services including day care subsidies to low-income working parents, protective day care slots for children at risk of abuse or neglect, and teen parents.	32

DOE	7030-1000 Early Childhood Education	Administers grants and provides technical assistance to cities and towns for the development of preschool, enhanced kindergartens, transitional first grade programs, and combined day care and early education programs.	33
DOE	7030-1500 Head Start	Provides preschool educational readiness programs targeted to low-income communities meeting federal guidelines.	33
EOEA	9000-0104 Corporate Child Care	Provides technical assistance to private companies interested in establishing employee child care programs.	34

HEALTH, NUTRITION AND SAFETY

Dept.	Account	Description	Page
EOCD	3748-0010 Residential Lead Paint Grant and Loan Program	Funds grant and loans to low and moderate income homeowners and landlords for the removal of lead paint from residential properties.	67
OFC	4130-0720 Teenage Pregnancy Prevention	Provides grants to communities for the prevention of teenage pregnancy and support to parenting teens.	47
DPW	4400-1000 DPW Administration	SEE BASIC HUMAN NEEDS SECTION	
DPW	4400-1003 Medicaid Administration	Funds staff and support costs to operate the state's Medicaid Program.	
DPW	4400-4000 Disabled Adults and Children Medical Care and Assistance (CommonHealth)	Provides health insurance coverage to disabled children and adults not eligible for Medicaid.	48
DPW	4402-5000 Direct Medical Assistance (Medicaid)	Administers a program which provides free medical services to all financially and medically needy families and individuals.	49
DPW	4406-5000 General Relief Health Plan	Funds inpatient and outpatient medical care for GR recipients.	52

DPH	4510-0103 Health Promotion	Promotes school health education programs focused on cigarette smoking, proper nutrition and physical fitness among other prevention activities.	
DPH	4510-0110 Community Health Center Grants Program	Awards grants, not more than \$25,000 each, to community health centers to provide specific services including obstetrics and gynecology, pediatric and adolescent services, and social services.	53
DPH	4510-0600 Environmental Health	Monitors environmental hazards including lead paint poisoning and its impact on health through local, state and federal agencies.	54
DPH	4510-0611 Lead Poisoning Prevention Reserve	Provides for the implementation of the Commonwealth's new lead law Chapter 773.	67
DPH	4512-0103 AIDS	Supports AIDS research, testing, counseling, public education, prevention, community health and home care services, and treatment for long term care patients.	55

DPH	4512-0200 Alcoholism and Drug Rehabilitation	Provides drug and alcoholism services for adults and youth including youth residential treatment programs.	57
DPH	4512-0500 Dental Health	Serves developmentally disabled children in state schools and in the community as well as Department of Youth Services clients living in secure facilities.	
DPH	4512-0550 Fluoridation Assistance	Reimburses partial cost for fluoridation of water to cities and towns.	
DPH	4513-1000 Family Health Program	Funds the majority of programs within the Department's Bureau of Parent, Child and Adolescent Services including the Services for Handicapped Children (SHC) and Maternal and Child Health (MCH) Programs.	57
DPH	4513-1002 Office of Nutritional Services	Funds the Women, Infants and Children (WIC) Program, the Office of Nutrition and purchased services for failure-to-thrive children.	59
DPH	4513-1005 Medical Services Program for Pregnant Women (Healthy Start)	Provides prenatal care to low-income women without health insurance.	60

DPH	4513-1006 Pediatric Hospice	Administers funds to operate a pediatric hospice as an adjunct to an existing adult hospice in Boston.	
DPH	4516-1000 Laboratory and Communicable Disease Control	Supports Center for Laboratories and Communicable Disease Control with responsibilities including newborn screening and production and distribution of vaccines and serums to immunize children.	61
DPH	4540-0001 Consolidated Hospitals	Funds DPH public health hospitals which provide clinical services to meet the needs of patients not adequately served by the private sector.	
DMS	4600-1000 Administration	Funds staff of Department of Medical Security to carry out the state's new Health Security Act, Chapter 23.	62
DMS	4600-1050 Hospital Uncompensated Care Pool	Supplements hospital care costs for uninsured low income individuals.	64
DMS	4600-1060 Uncompensated Care, Community Health Centers	Funds care at community health centers for uninsured low income individuals and families.	65

DMS	4600-1300 Health Insurance Phase-Ins	Provides funding for pilot programs which will create health insurance packages for the uninsured.	66
DSS	4800-0250 Area-Based Direct Services	SEE CHILD AND FAMILY SUPPORT SECTION	
DOE	7032-0500 Comprehensive Health Education	SEE EDUCATION SECTION	
DLI	9410-0101 Retained Revenue Lead Paint Removal	Provides protection for workers who remove lead paint by inspecting their worksites.	68

MENTAL HEALTH

Dept.	Account	Description	Page
DYS	4202-0021 Residential Care Program	SEE JUVENILE JUSTICE SECTION	
DYS	4237-1010 Community Based Treatment Units	SEE JUVENILE JUSTICE SECTION	
DYS	4238-1000 Consolidated Service Facilities	SEE JUVENILE JUSTICE SECTION	
DPW	4402-5000 Medicaid	SEE HEALTH, NUTRITION, AND SAFETY SECTION	
DMH	5046-0000 Adult Mental Health Services	Funds residential programs, outpatient services and home support in all districts except those services offered by state-funded community mental health centers.	73
DMH	5047-0000 Children and Adolescent Mental Health Services	Funds mental health services for children and adolescents through out-patient, residential, day, emergency, family support, case management and in-patient programs.	72
DMH	5051-0100 Community Mental Health Centers	Funds the eleven community mental health centers which provide inpatient and outpatient services to mentally ill people.	74

JUVENILE JUSTICE

Dept.	Account	Description	Page
DYS	4200-0010 DYS Administration	Funds DYS central office operations including legal services, coordination of detention, and classification hearings.	109
DYS	4202-0021 Residential Care Program	Provides funding for residential and non-residential purchased services including group care, foster care and detention.	109
DYS	4237-1010 Community-Based Treatment Units	Provides funding for regional offices, case workers and community-based treatment services for clients.	111
DYS	4238-1000 Consolidated Secure Facilities	Funds the detention, treatment and shelter programs operated by the Department and the Stephen L. French Youth Forestry Camp.	112
DMH	5049-0000 Forensic Mental Health	Funds mental health services to court referred or committed persons, some of whom are children.	112

EDUCATION

Dept.	Account	Description	Page
DOE	7010-0012 Racial Imbalance Program	Provides grants to cities and towns for payment of costs incurred in eliminating racial imbalance.	
DOE	7010-0025 Statewide Assessment/ Basic Skills	Funds the statewide assessment testing program.	
DOE	7010-0043 Equal Education Improvement Funds	Provides grants to cities and towns with students of Hispanic and Southeast Asian origin for specialized curriculum and staff.	
DOE	7010-0044 Emergency Grants for Educational Needs of Children of Limited English	Provides funding for cities where current demographic changes due to immigration and relocation of families has increased the need for English as a second language teachers, bilingual teachers and specialized curriculum.	
DOE	7027-0016 Matching Grants for Various School-to-work Programs	Supports a program for twelfth graders to help them make the transition from school to work through employer connections and support.	
DOE	7028-0031 Institutional Schools	Provides funds for educating students in institutional settings, including state hospitals, state schools and Department of Mental Health Intensive Residential Treatment Programs (IRTP).	

DOE	7028-0101 Local Education Authority Incentive Grants	Provides grants to cities, towns and re- gional school districts for the development of programs for children returning to their com- munities from Institu- tional settings.	104
DOE	7028-0302 Private Schools	Funds the incurred ex- penses of children who have no father or mother living in the Commonwealth or were covered by the pre-1974 special education law.	104
DOE	7030-1000 Early Childhood Education	SEE CHILD CARE SECTION	
DOE	7030-1500 Head Start	SEE CHILD CARE SECTION	
DOE	7030-1600 Carnegie Schools	Funds a discretionary grant program for schools that design an innovative school gov- ernance approach.	97
DOE	7030-2000 Basic Skills Remediation	Provides for the reme- diation of students who have not met basic skill levels in reading and math as measured through the statewide testing program (7010- 0025).	98

DOE	7030-2001 Commonwealth Futures Program	Supplements a private grant to establish a coordinated statewide effort to address the dropout problem through the development of local dropout prevention programs in target communities.	98
DOE	7030-3000 Leadership Academy	Provides inservice professional development programs for school administrators	99
DOE	7030-4000 Lucretia Crocker Program	Awards fellowships to public school teachers who have developed innovative educational programs and curricula.	100
DOE	7030-4060 Professional Development Schools	Funds an interagency agreement with Bridgewater State College to maintain a field center for teaching and learning.	
DOE	7030-5000 Education Technology Trust	Administers a discretionary grant program to integrate technology into the classroom.	100
DOE	7032-0211 Gifted and Talented	Funds support programs for gifted and talented children in public school settings.	101

DOE	7032-0500 Comprehensive Health Education	Provides grants to cities, towns and regional school districts for school-based comprehensive health education program planning in the public schools.	101
DOE	7035-0004 School Transportation	Provides school districts with funding for school transportation.	
DOE	7061-0008 School Aid (Chapter 70)	Provides local aid to cities and towns for public education and other local services.	101
DOE	7061-0009 State Wards	Reimburses costs to cities and towns providing educational services to children in the custody of Department of Social Services.	
DOE	7061-0010 Recreational Programs	SEE DISABLED CHILDREN SECTION	
DOE	7061-0012 Non-Educational Residential Cost (60/40)	Provides funds for residential program costs for children placed by Local Education Authorities. 60 percent of the costs are paid by the state directly to the vendor.	105
DOE	7061-1000 Equal Education Opportunity Grants	Supplements the direct spending budgets of school districts currently spending less than 85 percent of the statewide per pupil average.	102

DOE	7061-4000 School Improvement Councils	Establishes a per pupil entitlement for all children in grades kindergarten through twelve for funds disbursed to School Improvement Councils for supplemental equipment, special projects or additional curriculum.	103
DOE	7061-4060 Achievement Awards	Rewards schools that reach or exceed educational goals.	
DOE	7061-5000 Horace Mann Teachers Grants	Provides grants to teachers who increase responsibilities and add new roles to their present position in order to enhance curricular activity.	103

DISABLED CHILDREN

Dept.	Account	Description	Page
MCB	4110-1020 Medicaid for the Blind	Funds administration of the free medical care program for income-eligible blind persons.	84
MCB	4110-2040 Social Services for the Blind	Provides a range of services, including rehabilitative service such as skills training in cooking and clothes labeling for the newly blind, 70 percent of who are over 65 years of age.	84
MCB	4110-3010 Vocational Rehabilitation for the Blind	Provides job training services to certain blind individuals including evaluation, diagnosis, counseling, guidance and referral, vocational training, physical or mental rehabilitation, transportation and job placement.	
MRC	4120-0011 Vocational Rehabilitation	Assists permanently disabled persons to maximum independence through job training and placement, personal care assistance, and independent living programs.	
MRC	4120-0012 Social Services	Provides social services to those severely handicapped individuals who are not eligible for vocational rehabilitation services but who can be helped to live independently within the community.	86

MRC	4120-0071 Services to Head-Injured	Provides services to head-injured persons including technical assistance, case management, placement, and aftercare.	87
MCDHH	4125-0100 Massachusetts Commission for the Deaf and Hard of Hearing	Funds the administration of and services provided by the MCDHH including information and referral, interpreters, case management, and independent living services. The Commission also evaluates the effectiveness of services provided for the deaf by various state agencies.	88
DPW	4400-4000 Common-Health	SEE HEALTH, NUTRITION AND SAFETY SECTION	
DPW	4402-5000 Medicaid	SEE HEALTH, NUTRITION, AND SAFETY SECTION	
DPW	4405-2000 SSI Supplement	Provides funds to supplement federal benefits to low income disabled individuals including children.	89
DPH	4513-1000 Family Health Program	SEE HEALTH, NUTRITION, AND SAFETY SECTION	
DMH	5011-0006 Turning 22 Services	Funds transition planning and services to mentally ill and developmentally disabled persons who become ineligible for special education services upon turning 22 years of age.	90

DMR	5712-0100 Reserve to Fund Administrative Costs Associated with Split of DMH & DMR	Funds Department staff and other administrative costs associated with the split of DMH & DMR.	79
DMR	5911-0006 Turning 22 - MR	Funds services for men- tally retarded individuals who are no longer eli- gible for services under Chapter 766 upon turn- ing 22 years of age.	80
DMR	5947-0000 Child Adolescent Services	Funds services to men- tally retarded children and their families includ- ing specialized home care, after-school care, skills training and rec- reation programs.	81
DMR	5948-0000 Mental Retardation Community Services	Funds all services to mentally retarded per- sons outside of state schools including respite care.	83
DMR	5983-0100 Mental Retardation Facilities	Funds the state schools for the mentally re- tarded and Mansfield Residential Autistic Program, Glavin Regional Center, Monson Developmental Center, and Hogan- Berry Center.	
DOE	7061-0010 Special Needs Recreation	Partially reimburses cities and towns for summer recreational programs for children with special needs.	91

Children's Budget

FY'92

Our
Forgotten
Commitment
to Children



April 1991

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EXECUTIVE SUMMARY

House 1, the Governor's proposed budget for FY'92, does not meet the minimum standards necessary for the Commonwealth of Massachusetts to ensure the well-being of its children and families. At a time when critical indicators of the well - being of children are falling, House 1 proposes fundamental changes in state government which would affect the Commonwealth's ability to protect them.

There is no better indication of the implications of House 1 for children than the proposal to merge the Office for Children with the Executive Office of Health and Human Services, leaving uncertain its future as the agency whose sole concern is how well Massachusetts implements its stated public policy for children and keeps those with the most serious problems from falling through the cracks. Preservation of the functions and the integrity of the Office for Children is an important statement of the Commonwealth's commitment to children.

The Office for Children Statewide Advisory Council makes the following comments on proposed changes to children's policy in House 1.

Education

 The percentage of Massachusetts students passing basic skills tests in reading, math and English is down for the first time since testing began in 1987. Fifteen percent of 3rd graders, 16 percent of 6th graders, and 21 percent of 9th graders failed at least one test in 1989.

 The percentage of public school students in special education is up from 13.4 percent in 1980 to 17.1 percent in 1989.

Retain Maximum Feasible Benefits Language from Chapter 766: House 1 weakens the special education mandates.

Maintain State Support for Education: House 1 reduces local education aid by an estimated \$94.5 million. This year, Massachusetts becomes the only state in the nation to cut education spending three years in a row.

Maintain Education Reform Efforts for Urban Schools: House 1 accelerates the cutback in education programs created by Chapters 188 and 727 which target increased state resources for school districts with lower local education spending levels and larger numbers of at-risk students.

Child Care

 Subsidized child care slots are down from 30,261 in FY'89 to 25,294 in FY'91. Only teens or parents leaving AFDC receive benefits.

 Cost of child care up is by 13 percent in the past two years. The average annual cost for center based infant toddler care is at \$8,277.

Maintain Child Care Subsidies for Low Income Families: House 1 eliminates child care

subsidies for any new low income working families, who may earn up to \$19,116 for a family of three.

Basic Needs - Maintain the Safety Net



Massachusetts unemployment at 9.7 percent, is 43 percent higher than the national rate of 6.8 percent. Teen unemployment for the first quarter of 1991 is at 23.5 percent; first quarter of 1990 was at 16.3 percent.



380,371 Individuals in 165,000 households received food stamps in December, 1990, the highest number since 1983.

Maintain AFDC levels: House 1 proposes eliminating supplemental and family reunification benefits, and assumes elimination of benefits to women during the first six months of pregnancy.

Continue General Relief (GR) benefits especially to high school students: House 1 eliminates the clothing allowance as well as the GR Employment and Training program; assumes GR benefits will be limited to 12 months.

Maintain Emergency Assistance and Emergency Relief benefits: House 1 restrictions on homelessness prevention benefits to one month's payment for back rent and utility bills will undoubtedly increase homelessness.

Reissue 707 certificates: House 1 freezes all new 707 rental housing certificates.

Health Care



The birthrate for teens is up from 28.1 per 1000 females aged 15 to 19 in 1980 to 38 per 1000 in 1989.



The percentage of mothers who receive adequate prenatal care is down from 82 in 1980 to 78.8 in 1989.



Massachusetts residents with no health insurance is down from 600,000 in 1986 to 455,000 in 1989, but 91,000 children and adolescents still have no coverage. Uninsured children are half as likely to see doctors as children with insurance coverage.

Support House 1 increases for Health Prevention: The Teen Pregnancy Prevention Challenge Fund, WIC, AIDS, Healthy Start, and Family Health Services were all increased in House 1 over FY'91 levels.

Implement the Employer Mandate of the Universal Health Care Law (Chapter 23) in 1992: House 1 assumed the elimination of the employee mandate.

Keep enrollment open in the CommonHealth program: House 1 closes enrollment, affecting about 500 children annually.

Preserve Health Coverage (Medicaid) for Low Income Children: SAC is pleased that House 1 proposed no reductions in Medicaid options that provide health services to children.



The Commonwealth of Massachusetts

Office for Children Statewide Advisory Council

George Bachrach
Chairman

Dear Friends of Children:

Pursuant to its mandate in Chapter 28A of the Massachusetts General Laws "to advise on policy, planning, and priorities of need in the Commonwealth for services to children", the Statewide Advisory Council (SAC) to the Massachusetts Office for Children issues its seventh annual analysis of proposed state budgets and their impact on children's services, The FY'92 Children's Budget: Our Forgotten Commitment to Children.

The budget proposed by the Weld Administration fails to meet the minimal standards for the Commonwealth's commitment to ensuring the well - being of children in Massachusetts. Services to children and families are an essential investment in the future of the Commonwealth. Many proposals in the Governor's Budget, House 1, will wreak unconscionable havoc upon children's lives.

There is no better indication of this budget's shortchanging of children than the proposal to merge the Office for Children (OFC) with the Executive Office of Health and Human Services. After twenty years of ensuring that no child in need of help falls through the cracks, the Administration proposes to dismantle the Office and seriously weaken its core functions which were intended to ensure that all children develop healthy and happy and have an opportunity to reach their full potential.

The SAC firmly believes in the notion of investing in children as a key element in any plan to revitalize Massachusetts. Failure to recognize the importance of supporting children leads to our bankruptcy as a society in that we cannot expect to be able to compete with other parts of the world if we do not nurture our most important natural resource. Inadequate investment in children's services will also lead to fiscal bankruptcy; cutting services to children now will cost us more in the long run through higher costs in the corrections system, special education, and for costly residential programs for disturbed children and adults.

Child Advocates: Call to Action

Massachusetts state government remains paralyzed in the grip of a relentless budget crisis.

Advocates for children are struggling to effectively educate those who are only hearing from anti-government supporters.

In November, 1990, Massachusetts voters decisively rejected Question 3, a ballot initiative which would have cut more than \$1 billion from the state budget and forced incomprehensible cuts in services to the state's most desperate citizens.

Budget cuts implemented throughout FY'91 that continued and expanded in the Governor's proposed budget for FY'92 have made many feel as if Question 3 had, in fact, passed, despite the vote against fiscal and programmatic chaos. The repeal of the state sales tax on services cut another \$170 million out of the revenue base in FY'92.

The crisis for children must be a focal point. If the Commonwealth cannot support those who are beginning their lives in this state, with all the promise that represents, then we truly have reached rock bottom. In 1991, child advocates must rededicate themselves to defending the infrastructure of children's services.

Need to Organize

Only by working together can we ensure that children don't bear an unfair share of the burden. The Statewide Advisory Council urges all Council for Children members and other child advocates to do the following:

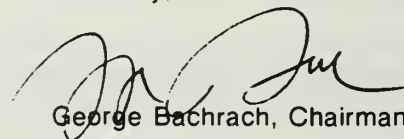
- Mount local public education efforts on the impact of budget cuts in your community. Make sure the public knows what is going on by aggressively using the local media, hosting public forums, and bringing your concerns to the attention of local public officials.
- Consider creative funding efforts and support efforts to override Proposition 2½ since these funds can support education and children's services, and other new local efforts to increase funds for children's services.
- Child advocates and parents should work with other organizations at the state and local level, such as the new Council for Children organization, Mass. Councils for Children, Inc., or the Mass. Human Services Coalition to fight for fiscal sanity and avoid chaos.

Child advocates must realize that only through organizing and coalition-building can we expect to hold the line on children's services and to continue public investments in the healthy development of children.

The FY'92 Children's Budget sets broad priorities for children in five areas: education, basic needs, health, child care, and the Office for Children. Unlike years past, the Children's Budget does not make specific recommendations to the Governor and Legislature on the more than 100 separate accounts which fund education and human services for children. This year's budget debate will be dominated by proposals to streamline government and we anticipate that proposals to increase spending in any area of government will not be seriously considered.

Our analysis covers recommendations made by the Governor in his proposed budget, House 1, as well as budget cuts implemented during FY'91 and previous years which have brought devastating cuts in services to children.

Sincerely,



George Bachrach, Chairman and President

INVESTING IN CHILDREN AND FAMILIES: AN INVESTMENT THAT PAYS OFF

As the Commonwealth of Massachusetts struggles to move ahead in the last decade of the Twentieth Century, it is imperative that political, business and community leaders take immediate stock of our most important resource, our children. The high school graduating Class of 2000 is already in the third grade. Time is running out if we are to ensure that every member of that Class has a reasonable opportunity to become a productive member of society.

Increasing numbers of leaders in the political, business, education and human service disciplines recognize that public investment in programs that intervene early in the lives of children at-risk — those who are living in poverty, who have developmental or physical disabilities or who have been abused or neglected, are cost-effective. Such programs will increase the likelihood that participating children will experience success and independence later in life, and save millions of taxpayer dollars otherwise spent on more costly interventions later in life.

For example, the Committee for Economic Development, a national business group concerned about education and human services for children, released in March 1991 a report calling for greater efforts to meet the early health, social, and developmental needs of children. The report, The Unfinished Agenda: A New Vision for Child Development and Education, stresses that unless attempts are made to address the non-academic needs of children, all attempts to improve schools and the academic success of our children will fall.

Supporting Families

The American Public Welfare Association (APWA) has developed a framework for children and family services which recognizes the critical role of families in assuring the healthy development of children, and responds to serious concerns about the status of children and families today. This new framework includes:

- a commitment to support families for healthy child development;
- strong community investments — human and financial — to address needs of vulnerable families before crises emerge;
- a service perspective based on building family strengths and not focusing on deficits and dysfunctions.

The Statewide Advisory Council has helped organize a new committee to examine the Commonwealth's public policy goals for children in the context of its commitment to strengthen families. The Task Force will use the APWA framework to look at new models of service delivery which are family focused, community based, and respectful of diverse cultures. The group will attempt to identify, as suggested in the APWA report, leadership opportunities to promote the strengthening of families at all levels, local, state, and national in both the public and private sectors.

Programs that Work

In December, 1990, the U.S. Congressional Select Committee on Children, Youth and Families issued a report, "Opportunities for Success: Cost-Effective Programs for Children." The report documents twelve successful programs and services for improving the lives of chil-

dren. The success of these programs indicates that investing in children is a critical part of any strategy to target public resources in the most efficient possible ways.

Among the findings of the Congressional report:

- Every dollar invested in the Women, Infants and Children program (WIC) food supplement and education program reduces the number of low birth weight infants and thus saves as much as three dollars in short term hospital costs, \$3.13 in short term Medicaid costs for newborns and mothers, and \$3.90 for newborns only.
- \$1 Invested in **prenatal care** can save \$3.38 in the cost of care for low birthweight infants.
- \$1 spent on comprehensive prenatal care overall added to services for Medicaid recipients has saved \$2 in an infant's first year and overall lower health care costs for children, through decreased infant mortality and fetal abnormalities.
- \$1 spent on **childhood immunization** programs saves \$10 in later medical costs because of dramatic declines in the incidence of measles and other diseases.
- **Preschool education** programs increase academic success, employability, self esteem, and reduce later dependence on public assistance; a \$1 investment returns \$6 through lower costs of special education, public assistance, and crime.
- **Compensatory education** programs such as training in basic skills and dropout prevention lead to achievement gains in reading and mathematics; an investment of \$750 for one year of compensatory education can save the \$3700 cost of repeating a grade.
- **Early intervention** programs for children with disabilities increase their ability to receive services in regular school settings later and increase their academic and employment success; the report estimates that early intervention programs save school districts \$1560 per student with disabilities.
- **Youth employment and training programs** lead to gains in employability, wages, and success while in school and afterwards; the report claims that participants in the federal youth employment and training program realized gains of \$1810 annually.
- **Lead screening and reduction** programs reduce exposure of children to the effects of lead poisoning, including poor birth outcomes and impaired cognitive outcomes; savings from the reduction of effects of lead on U.S. children are estimated at \$500 million annually.
- **Home based family support** programs reduce child abuse, institutionalization, and family dependence; the costs of home-based services range from \$100 to \$3400 per family; estimated national savings from these programs is \$487M in reduced hospitalization, rehabilitation, and special education.

Declining Support for Children and Families

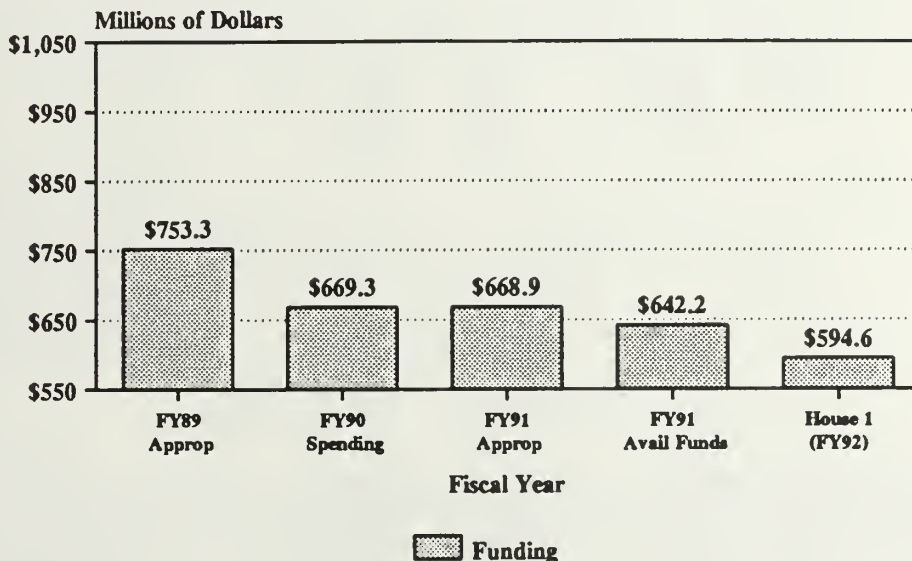
Fewer dollars are spent on services to children and families today than were appropriated in FY'89. The following two graphs show changes in funding from FY'89 to House 1. The first graph excludes DSS accounts from the calculations with the exception of those expended for child care. Although not an entitlement, DSS funding increased through FY'91 in an attempt to

keep up with the dramatic increase in reports of abuse and neglect. The second graph includes DSS. Even with the increases in the past few years, DSS resources are not adequate to meet the need. With House 1 cuts, DSS will be even less able to fulfill its mandate.

Not all accounts have been included in these calculations. Entitlements were not included, nor were accounts which serve only a small number of children. See the appendix for a listing of accounts not included.

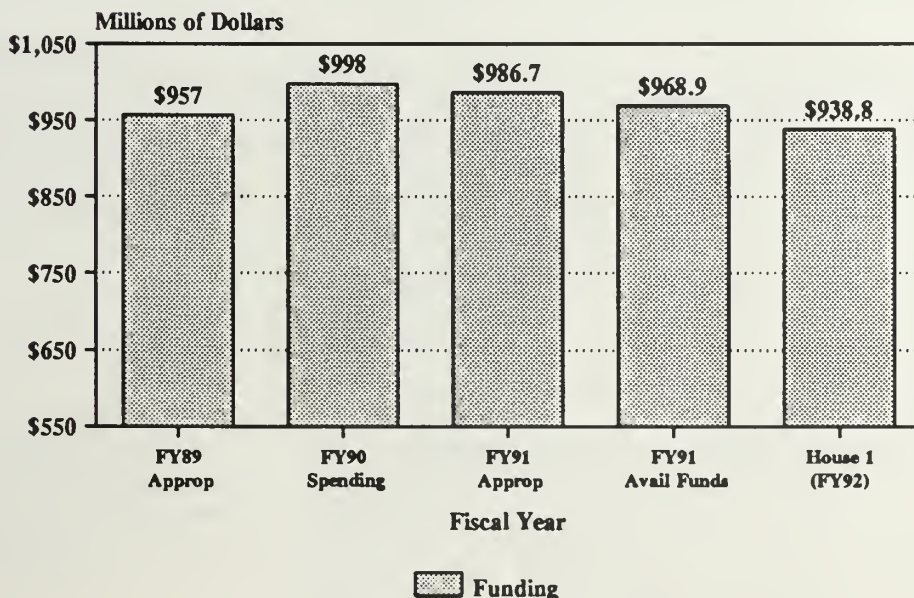
Children's Budget: FY89 - FY92

*Non-Entitlement Accounts,
Excluding DSS Family Support*



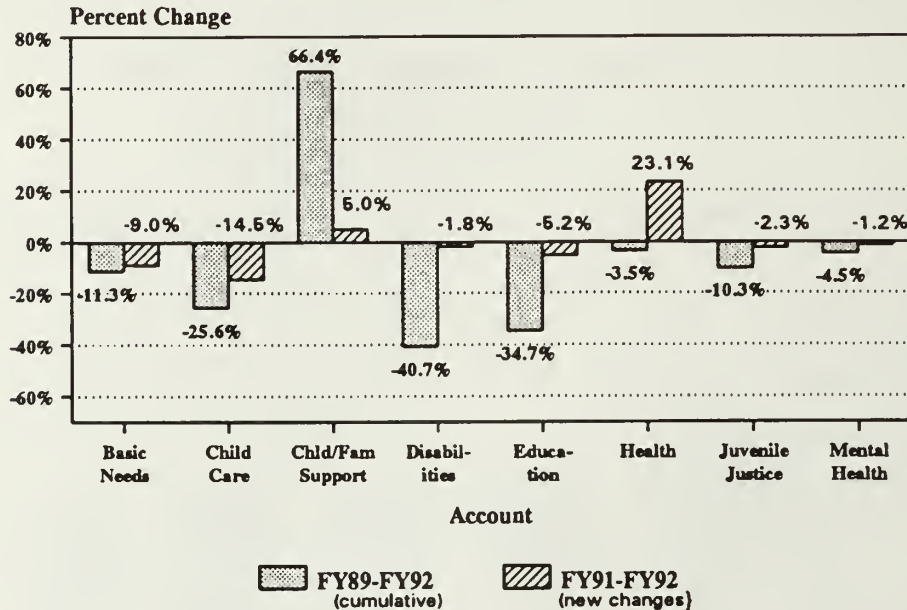
Children's Budget: FY89 - FY92

Non-Entitlement Accounts



In addition to an overall reduction in funding for children and families, funding changes from FY'89 to House 1 have affected all categories of services.

Children's Budget: Percent Changes in Accounts Overall, FY89 - FY92



Note: Without DSS figures, family support decreased 63 percent from FY'89 to House 1. To cope with budget cuts, DSS has narrowed its programs to protective services, with an increasing percent of its dollars focused on foster care, group care and adoption. DSS funding for programs that support at-risk families before abuse occurs virtually ended when open referral contracts were eliminated. Even with the more narrow focus, DSS funding is not keeping up with the increase in abuse and neglect reports.

Prevention Programs: A Thing of The Past

The budget cuts have resulted in fewer funds for children's services, and have eliminated whole programs as well. With the exception of the increases in preventive health, funding for prevention and early intervention programs has been severely reduced and, in many cases, eliminated completely. The chart that follows shows what's been reduced and what's left after House 1.

What's gone?

What's reduced or never been adequately funded?

What's left?

Basic Needs

Up and Out of Poverty campaign - increasing AFDC and GR benefits to the federal poverty level, AFDC for pregnant women in the first six months of pregnancy, supplemental and family reunification benefits, GR benefits for high school students over age 20, GR clothing allowance, GR ET program, Gateway Cities, EOCD homelessness prevention program, Emergency Fuel Assistance, Supportive Services program, Housing Services, Homeownership Opportunity (HOP), Neighborhood Housing grants

Emergency Assistance and Emergency Relief, Housing Subsidies (707) program, SHARP, GR rent supplement, ET

Rental Development Action Loans, funding for Homeless Shelters, Food Stamps, AFDC at 42 percent below federal poverty

Child Care

Child Care Affordability Scholarship Fund, Day Care Training, "Extended Vouchers" for ET participants, EOCD supportive services child care funds, provider salary reserve

Subsidies for low income working parents, Child Care Resource and Referral Agencies, Corporate child care funds, Early childhood grants

Vouchers for ET trainees and for ET graduates for one year; baby-sitting funds at \$2/hr.; Head Start

Family Support

DSS community-based open referral services, support to OFC's Citizen Volunteers

Battered women's services, Prevention and Family Support for families already known to DSS, OFC's Help for Children program, the Children's Trust Fund

DSS Foster Care and Group Care programs, however parents must now pay part of the cost

Juvenile Justice

DYS prevention, Four DYS intake programs, Four DYS detention diversion programs, Two DYS secure treatment programs

Length of juvenile offender treatment, Court clinic services for adolescents, DYS community based treatment, Health services to DYS youth

DYS programs, but below the capacity needed

What's gone?

What's reduced or never been adequately funded?

What's left?

Health

Crisis deleading and low interest loans to remove lead paint, Tertatogen Pregnancy Hotline, Health Insurance Phase-ins, Universal Health Care employer mandate, State support to the Hospital Free Care Pool

Substance abuse prevention and treatment programs. TB outpatient services. Sexually transmitted disease (STD) intervention, State Lab research and testing

Medicaid. Vaccine Trust Fund. Healthy Start, WIC for about one half of eligible women, infants and children, Unemployed health insurance program, Teen Pregnancy Challenge funding for two thirds of the communities with the highest teen pregnancy rates, CommonHealth but intake may close

Mental Health

Counseling services funded by DSS open referral, over 100 Staff in Partnership Clinics, Specialized services for 19 to 21 year olds, Community based prevention and early intervention programs

Case management, Therapeutic family care, Day programs, Home-based programs, Outpatient services, Consultation and education

Long term hospital and Intensive residential treatment. Acute psychiatric hospital beds

Disabilities

Handicapped children's clinics, DPH funds for housing adaptations, Respite care in pediatric nursing homes, Early intervention pilot program for deaf children, Special Needs recreation

Respite care and family support, Turning 22 for all populations, Services for children with head injuries, In-home nursing services, Camperships

SSI. Early intervention for one third of the eligible children, three residential programs for multiply handicapped children

Education

Commonwealth Futures, Gifted & Talented, School-to-work, Education technology, Carnegie Schools, Student testing, Leadership Academy, State wards, Regional Education Centers, LEA incentive grants

Chapter 70 local aid, School Improvement Councils, Drop-out prevention, Remedial education, Comprehensive health education, Horace Mann grants, Commonwealth Inservice Institute, Lucretia Crocker

Equal Education Opportunity Grants. 60/40 residential schools. School lunch

Public Policy Priorities: The Impact on Children

The Statewide Advisory Council's (SAC) priorities for children in FY'92 are represented in the following comments on proposed changes to children's policy in House 1. Preservation of these government functions represent important investments that support children and families.

Office for Children

Preserve the Functions and the Integrity of the Office for Children: House 1 merges the Office for Children (OFC) with the Executive Office of Health and Human Services (EOHHS). In order to perform its core functions of public policy analysis, licensing, and supporting families, as stated in Chapter 28A of the Massachusetts General Laws, OFC must maintain a measure of independence and integrity. OFC and SAC must be allowed to continue to objectively assess the well-being of children in the Commonwealth. Preservation of the critical functions of the Office for Children will serve as an essential resource and support for children and families and government officials during the difficult period ahead.

Education

Retain Maximum Feasible Benefits Language in Chapter 766. House 1 justifies the reduction in local aid for education, estimated at a total of \$94.5M, in part through the repeal of the mandate requiring local schools to offer students with special needs educational opportunities which maximize their potential. The Administration assumes that this will save money for local schools.

As the SAC and other advocates have argued in the past, the repeal does not guarantee money savings, but will lead to additional costly special education appeals. The reduction in local aid may serve to encourage some school districts to increase the number of residential placements since they are eligible for 60-40 reimbursement.

The SAC also supports educating special needs children in the least restrictive environment. This is educationally sound and likely to control special education costs in the long run.

Maintain State Support for Public Education: Total House 1 reductions in the two local aid accounts total \$210M. DOE estimates that 45 percent of all local aid is spent on education, representing a \$94.5M decrease in education aid in House 1. Based on these figures, urban school systems across the state are preparing FY'92 budgets which include substantial teacher layoffs and other cutbacks.

Maintain Education Reform Efforts for Urban Schools: House 1 accelerates the cutback in education programs created through Chapters 188 and 727 which target increased state resources for urban school districts with lower local education spending levels and larger numbers of at-risk students. House 1 eliminates several programs outright, including the Carnegie Schools program, the centerpiece of Chapter 727, and the student testing program. Cutting the testing program in FY'92 is particularly unfortunate given that scores went down in FY'91 for the first time since the program began. We would not be able to see if that was a one year aberration or the beginning of a downward trend, for at least two years.

Child Care

Maintain Child Care Subsidies for Low Income Working Families: The state appropriation in House 1 for the DSS child care account (4800-0060) is \$22M below the current FY'91 appropriation. House 1 replaces existing state dollars with new federal funds, in violation of the new federal child care law. Other savings projections are based on retained revenue targets and reduced staff-child ratios. The House 1 child care budget could reduce the number of child care subsidies for low income families by several thousand, removing virtually all low income working families from the child care system. Loss of child care support for these families will increase unemployment and the AFDC caseload.

Basic Needs - Preserving the Safety Net

Maintain AFDC levels: There has been no cost of living since FY'89 and benefits, even when food stamps are included, have declined in real dollar value by 9 percent. House 1 proposes to eliminate supplemental and family reunification benefits, and assumes the elimination of benefits to women during the first six months of pregnancy.

Continue General Relief (GR) benefits especially to high school students: GR families are at only 55 percent of the federal poverty level. House 1 eliminates the clothing allowance as well as the GR Employment and Training program, and assumes GR benefits will be limited to 12 months.

Maintain Emergency Assistance and Emergency Relief benefits: Limiting homelessness prevention benefits to one month's payment for back rent and utility bills will undoubtedly increase homelessness.

Reissue 707 certificates: No new 707 certificates are being issued. Any turned in are frozen. Based on savings assumed by the Administration, if House 1 is passed, the number of available certificates will drop from 13,000 to 10,000. The House 1 figure also assumes savings that have not yet materialized, leaving this account \$10M short of even the reduced level of service supported by the Administration. Coupled with reductions in Emergency Assistance, homelessness will increase. DPW calculates that it costs \$400 in back rent payments to prevent a low income family from becoming homeless; it costs \$6,200 for emergency shelter and advance rent payments once that family becomes homeless.

Health Care

Support House 1 increases for Health Prevention: The Teen Pregnancy Prevention Challenge Fund, WIC, AIDS, Healthy Start, and Family Health Services were all increased in House 1 from FY'91 levels. These important prevention services have been historically underfunded. House 1 will allow more eligible families to enroll in programs that save taxpayers considerable dollars in Medicaid, social services, welfare, and special education services later in life.

Implement the Employer Mandate of the Universal Health Care Law (Chapter 23) in 1992: Since the law was passed, the number of uninsured has declined from 600,000 to 455,000 in the state. Efforts to ensure access to primary health care will be stopped entirely. At least one fifth of those who remain uninsured are children.

Keep enrollment open in the CommonHealth program: House 1 covers the current caseload but has no expansion for new children coming into the system in FY'92. At present 1,105 of the 2,636 enrolled are children.

Preserve Health Coverage for Low Income Children: Although House 1 savings are not targeted at this population, some benefits were reduced in FY'90 and FY'91. The Administration and Legislature should prevent further cuts to Medicaid for families and children.

BASIC HUMAN NEEDS

The programs in this section seek to help low income families maintain a decent standard of living for their children. The analysis includes income assistance programs administered by the Department of Public Welfare (DPW) and housing assistance programs administered by the Executive Office of Communities and Development (EOCD).

Child Poverty

The Office for Children estimates that 435,000 Massachusetts children live in families who earn less than 70 percent of the state's median annual income, \$19,116 for a family of three in 1989. In 1989, 15.5 percent of Massachusetts children lived in families whose incomes fell below the federal poverty line, up from 13.1 percent ten years ago. This figure is particularly startling since the ten years between 1979 and 1989 were among the most successful in the economic history of the Commonwealth.

According to a study conducted in 1988-1989 by the Boston Foundation's Persistent Poverty Project, in Boston alone there are 14,500 children under age 6 and 20,900 children ages 6 to 17 who are poor, one quarter of the city's children. These numbers do not include the many families characterized as "near-poor", whose incomes only slightly exceed official poverty levels, and may be similarly at risk because they cannot qualify for benefits such as food stamps, fuel assistance or Medicaid. Poor children are more likely than other children to have serious health and social problems. They are more likely to be born underweight, die in infancy, be malnourished, fail in school and drop out, get into trouble, and become pregnant or father a child in their teenage years.

Although 1990 census data detailing incomes is not yet available, it is expected that the number of children living in poverty will increase, based on the worsening Massachusetts economy. In the past 12 months, Massachusetts unemployment figures have nearly doubled, reaching 9.7 percent for March, 1991, 43 percent higher than the national rate of 6.8 percent. Teen unemployment has grown from 16.3 percent to 23.5 percent, nearly one in four. In Fall River, New Bedford, Fitchburg, Gardner and the Berkshires, the unemployment rate is near or above 20 percent.

Family Income

The Department of Public Welfare publishes an annual "Standard Budget of Assistance" (SBA) which calculates the minimum income necessary for a family to maintain a minimum living standard in its own home. The budget considers shelter and utility bills, food, clothing, personal care, transportation, and other expenses. The table below shows SBA figures for a family of three in 1990 in comparison to AFDC grants. DPW has not yet released the 1991 "Standard Budget of Assistance."

Category	SBA	AFDC Grant*
Living in private housing (Greater Boston or Cape Cod)	\$13,325	\$ 7,248
Living in private housing (elsewhere in Massachusetts)	\$12,408	\$ 7,248
Living in subsidized housing (anywhere in Massachusetts)	\$10,484	\$ 6,768

*This figure includes the annual clothing allowance of \$150 per child.

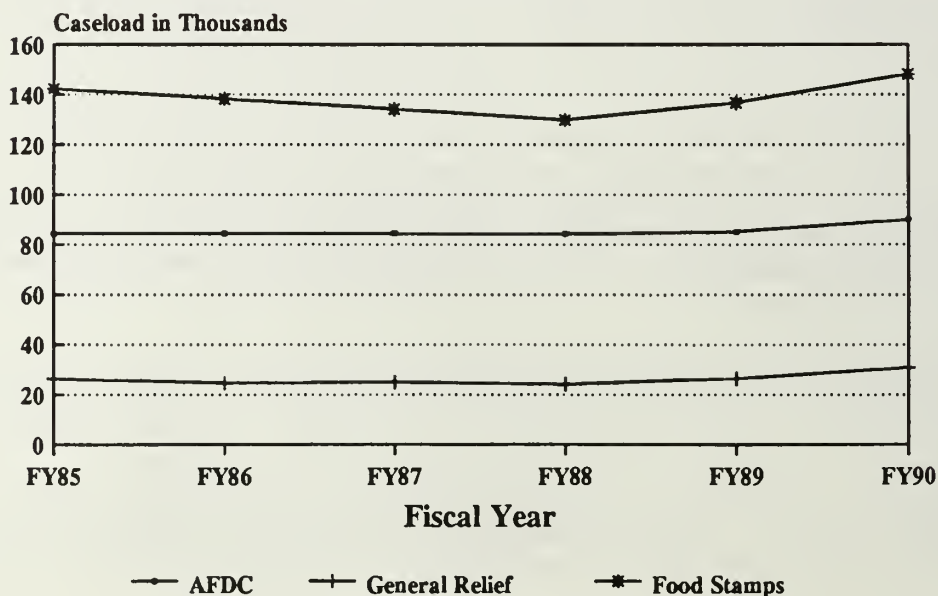
Based on 1990 figures, AFDC benefits for recipients living in private housing in Greater Boston are 46 percent below the Welfare Department's standard budget of assistance, and 31 percent below the federal poverty level. At 1991 levels, AFDC recipients in similar situations will be 35 percent below the federal poverty level. If one excludes the clothing allowance, the rate drops to 38 percent.

Rising Poverty

The incidence of poverty in Massachusetts is rising. In Massachusetts, the number of families enrolled in AFDC increased by 5.75 percent, from 86,256 in December of 1988 to 91,219 in December 1989. By December, 1990 the number had grown to 99,146, a 10.3 percent increase in one year. The number receiving federally funded food stamp benefits has also grown. In December, 1990, 165,000 households received food stamps — the highest number of households since 1983.

The following chart illustrates the increase in poverty over the last few years as evidenced by increasing AFDC, GR and Food Stamp caseloads.

DPW Cash Assistance Caseload Trends FY85 - FY90



Housing and Homelessness

The shortage of affordable housing in Massachusetts is perhaps the single most important problem poor families face. The Welfare Department's SBA report found that in many parts of the state — including the entire Greater Boston area and Worcester — average fair market rents for a two-bedroom apartment exceed the total monthly AFDC grant for a family of three. In Boston and Cambridge the average monthly rent for a two bedroom apartment is \$869; the AFDC monthly grant is \$579, including the \$40 per month rent supplement. The statewide average rent for a two bedroom apartment is \$808, a 31 percent increase since 1986. The cost of housing in Massachusetts is 2 and one-half times higher than the national average.

Public or subsidized housing is available to less than half of all AFDC families. Most AFDC recipients must compete for private housing at rents far beyond their reach. Local public housing authorities in Massachusetts usually have waiting lists numbering more than 1,000 applicants, and many are no longer accepting new applications. DPW caseworkers in Boston report that nearly all the AFDC recipients they see are living in overcrowded housing situations.

Budget Crisis Impact

The impact of the budget crisis is being felt severely by poor children and families. AFDC benefits have been frozen since FY'89, despite an annual inflation rate of four percent or more. DPW calculates that the average AFDC family has lost nine percent in real income in the past three years. Additional benefits and assistance programs are being squeezed further. Emergency assistance benefits for AFDC recipients were cut in FY'90 and FY'91 with more cuts proposed for FY'92.

AFDC and General Relief benefits are so far below the poverty level that advocates' goal of bringing poor people "Up to Poverty" have all but been abandoned in the face of the fiscal crisis. Instead, advocates are supporting H2850, which requires AFDC and GR grants to at least keep pace with inflation by tying the grants to the consumer price index. The cost of living in Massachusetts has increased 14.5 percent in the past two years while basic grants have stayed the same. In fact, some benefits were reduced in FY'90 and FY'91.

Recently the legislature passed a FY'91 supplemental budget which included a number of limitations on benefits proposed in the Weld/Cellucci Fiscal Recovery Plan. These are:

- Reducing the rent allowance for General Relief (GR) recipients living in private housing from \$40 to \$35 per month. Language that required legislative approval for GR benefit changes was removed giving the administration the authority to implement changes in GR eligibility rules by legislation.
- Charging for replacement of Medicaid, food stamp and AFDC identification cards;
- Restricting GR benefits for high school or vocational students living on their own to those students who are under age 20. Those over age 20, mainly immigrants whose education started later, will no longer receive GR.

These restrictions, however, pale in comparison to proposals in House 1 which would significantly endanger the survival of many poor children and families:

- There will be no AFDC cost of living adjustment for the third straight year, dropping basic grant levels to 38 percent below the federal poverty level for those receiving the rent supplement; 42 percent without the rent supplement.
- House 1 eliminates supplemental and family reunification benefits for AFDC families. Supplemental benefits help families deal with fluctuations in income; family reunification benefits allow families whose children have been placed in foster care to receive AFDC benefits for a limited period.
- House 1 eliminates AFDC benefits to pregnant women in the first six months of pregnancy. While there is no accompanying language or outside section eliminating these benefits, advocates expect Weld to file legislation to accomplish this. The legislature has already rejected this proposal.
- Emergency Assistance (EA) is limited to just one month's payment for back rent and utilities. House 1 also prohibits public housing tenants and other subsidized tenants from using EA for rent or utilities bills, even though this proposal has previously been rejected by a Massachusetts court.
- General Relief benefits are severely cut: GR is limited to 12 months; the annual \$115 clothing allowance is eliminated; high school students, not just those over age 20, will no longer be eligible for GR; Emergency Relief is limited to one month; medical disability criteria is tightened; undocumented immigrants will no longer be eligible with the exception of otherwise eligible children, women in the third trimester of pregnancy and persons over 65 or with handicaps; and the GR employment and training program is discontinued.

Also alarming is a backlash against some recipients of public assistance. Legislation which would reduce a family's AFDC benefits when a child drops out of school or which would restrict access to social programs for non-citizens is receiving increased support in the legislature and sympathetic treatment in the media.

The Diminishing Role of EOCD

In recent Children's Budgets, the Executive Office of Communities and Development (EOCD) has been a prominent feature, offering programs for developing affordable housing, homelessness prevention, supportive services for youth and families in housing developments, and fuel assistance for low income families. Many of these programs have been eliminated or are now proposed for elimination in House 1.

The following EOCD programs previously tracked in the Children's Budget were eliminated in FY'90 or FY'91; either when no dollars were appropriated or funds were cut before they could be expended:

Gateway Cities (3000-0301; -0302; -0303): Provided grants and additional local aid to communities with large populations of recent non-English speaking immigrants.

Homelessness Prevention Program (3722-9006): Designed to serve homeless families living in hotels and motels paid for by the Department of Public Welfare, this program also funded Chapter 707 rental assistance certificates for families "at risk" of becoming homeless. It was funded for one year only, FY'90, at \$4M, but only \$1M was ever released.

Emergency Fuel Assistance (3745-1000): Provided state funds to make up for cuts in federal fuel assistance. Although \$4.8M million was appropriated in FY'91, Governor Dukakis eliminated the program before any funds were expended.

As detailed in the line item account analyses which follow, with the proposed elimination in House 1 of Housing Services (3743-2036) and the ongoing freeze of Chapter 707 certificates, state programs to prevent or remedy homelessness are gone. Support services for youth and families in public housing are eliminated. EOCD has no funding for new commitments to develop affordable housing.

The budget crisis in Massachusetts has increased the economic and social pressure on our poorest citizens to an intolerable level. Following is an analysis of proposed funding for state programs that help ensure the survival of children and their families.

DEPARTMENT OF REVENUE

Child	FY'89 Appropriation: \$ 19,611,346
Support	FY'90 Expenditures: \$ 17,410,887
Enforcement	FY'91 Appropriation: \$ 18,165,239
1201-0160	FY'91 Funds Available: \$ 17,006,949
	FY'92 House 1: \$ 23,355,896

The Department of Revenue (DOR) Child Support program helps custodial parents obtain child support orders and is establishing a centralized collection process for both AFDC and non-AFDC families, which includes automatic wage withholding.

For the last year and a half, the Department of Revenue has received the child support payments from parents outside the family and directed them to the appropriate families. In the past, individual courts were responsible for these collection efforts. By July 30, 1991, the transfer of these cases from the courts to DOR will be complete and the **Child Support Enforcement Unit** will handle all collections for both AFDC and non-AFDC families.

There are about 200,000 single parents in Massachusetts; half do not receive adequate child support. The median income for single parent families is about one third that of two parent families.

Child support funds collected for families on AFDC help defray the cost of the AFDC program. Of the amount collected, \$50 per month goes to the family. In FY'91, officials expect DOR to collect \$68M for AFDC.

Attrition and a hiring freeze had reduced child support staff. In FY'91, Administration and Finance approved a request to hire additional staff, 103 of which will be funded by a federally funded trust fund.

House 1 increases this account to support the 653 current staff. This will enable DOR to use federal funds to improve the program and enhance collection efforts as intended.

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**EXECUTIVE OFFICE
OF COMMUNITIES
AND DEVELOPMENT**

**Rental
Development
Action
Loans
3722-8878**

FY'89 Appropriation: \$ 0
FY'90 Expenditures: \$ 1,616,199
FY'91 Appropriation: \$ 2,180,000
FY'91 Funds Available: \$ 2,180,000
FY'92 House 1: \$ 2,498,121

The Rental Development Action Loan (RDAL) program was created by a 1987 Housing Bond law (Chapter 226) to create and preserve rental housing and tenant cooperatives. It is intended to fill a gap which often exists between assistance provided in some state and federal housing development programs like SHARP (State Housing Assistance for Rental Production, 3722-9027) loans, and the level of subsidy needed to make the programs affordable. Since the formal creation of RDAL, "expiring use restrictions" on federally mortgaged rental properties have become a critical issue in preserving affordable housing, and proposed RDALs have become important in refinancing. The bond bill authorized the state to commit up to \$10M in operating funds for these loans.

RDAL commitments have been made to 28 developments containing 500 units. Spending increases reflect prior commitments coming due.

With the elimination of HOP, the Homeownership Opportunity Program, and no new commitments allowed under SHARP, House 1 limits new EOCD assistance for development of private housing to RDAL. EOCD continues to consider RDAL applications, mostly for proposals that require no new state payments before FY'93 or '94. Although EOCD signed one new agreement under the Weld administration, it backed away from several others it had in the works, which would have added \$900,000 to RDAL this year.

**Homeownership
Opportunity
3722-8880**

FY'89 Appropriation: \$ 0
FY'90 Expenditures: \$ 428,979
FY'91 Appropriation: \$ 2,428,980
FY'91 Funds Available: \$ 2,428,980
FY'92 House 1: \$ 0

The Homeownership Opportunity Program (HOP) provides low cost mortgage financing for qualified first time home buyers. Local housing authorities have also purchased units in HOP developments, creating rental housing. HOP has aided 130 projects with a total of 6,000 units. HOP pays funds as a one time expenditure when units reach occupancy. HOP is making no new commitments; the administration says no units will reach occupancy in FY'92. Advocates argue that the state continues to have obligations in a HOP "Soft Second Loan" program. It subsidizes second mortgages, allowing low and moderate income homebuyers to capitalize on the cooler real estate market.

**Neighborhood
Housing
Grants
3722-9001**

FY'89 Appropriation: \$ 834,968
FY'90 Expenditures: \$ 529,449
FY'91 Appropriation: \$ 96,000
FY'91 Funds Available: \$ 38,299
FY'92 House 1: \$ 0

The Neighborhood Housing Services (NHS) Corporation maintains a revolving home repair and improvement loan fund for low and moderate income homeowners who cannot qualify for conventional financing. During FY'91, no funds were available for new loans. The one staff position was eliminated.

House 1 (Outside Section 217) gives EOCD the authority to allow NHS corporations to re-loan the payments they receive, but eliminates all state funding for administration or new loans.

**Supportive
Services
Program
3722-9018**

FY'89 Appropriation: \$ 5,572,540
FY'90 Expenditures: \$ 4,661,379
FY'91 Appropriation: \$ 4,368,000
FY'91 Funds Available: \$ 1,100,000
FY'92 House 1: \$ 0

Effectively eliminated in the fall of FY'91 by Governor Dukakis, this account funded remedial education and employment and training programs for over 6,000 public housing tenants. These include some 1,400 individuals in literacy programs and 1,200 teenagers in counseling/work experience programs and afterschool tutoring. It also paid for the development of day care centers in public housing developments. The Governor recommends no restoration.

**Housing
Subsidies
3722-9024**

FY'89 Appropriation: \$ 130,933,496
FY'90 Expenditures: \$ 148,746,303
FY'91 Appropriation: \$ 143,722,332
FY'91 Funds Available: \$ 140,622,332
FY'92 House 1: \$ 125,927,609

This account funds state housing subsidy programs for public, family, elderly, and handicapped housing. The Chapter 707 rental assistance program is also part of this account. Chapter 707 pays private landlords the difference between maximum allowable rents set by the state and 25 percent of the tenant's household income, a figure that is increasing to 27 percent in FY'92.

As of June, 1990, local housing authorities except Boston had waiting lists totaling 55,000 households for 707 certificates, with 5,500 considered highest priority (already homeless or "at risk"). The Boston Housing Authority had an additional 12,000 on its combined 707 and federal program list. (Note: Numbers may include duplication because families may apply through more than one housing authority.)

EOCD has approximately 19,000 units under lease through Chapter 707. Of these, 13,000 are rent certificates issued to low income families who bring the certificate with them when they find an apartment. Another 6,000 are "project-based" subsidies committed to a particular affordable housing development. Eligible low income families acquire these subsidies when they rent units in the new or renovated affordable housing complex.

In FY'91, 707 certificates were "frozen" as they turned over. They will be frozen again in FY'92. Some 1,300 to 1,500 of the certificates issued to families turn over in the course of a year. It is expected that the number of families with certificates for apartments that they find on their own will drop to just over 10,000 in FY'92.

As requested by the Weld administration, the legislature has given approval for EOCD to discontinue all project-based certificates not in use for occupied units as of February 15, 1991. Already EOCD has canceled 100 certificates awarded to seven Boston boarding house developments, jeopardizing their complex financing.

The legislature also approved a hike from 25 to 30 in the percent of income tenants must contribute to rent. The administration sought an increase to 30 percent in FY'92, but the legislature approved an increase to 27 percent effective in FY'92 and 30 percent effective in FY'93. In addition, tenants with project-based certificates are already living with new FY'91 regulations that reduce the deductions they can take before the percent of their income for rent is calculated.

Mistaken assumptions about possible savings leave this account about \$10M short for FY'92. House 1 figures assume savings based on the 30 percent increase, not the 27 percent approved by the legislature. Turnover has not occurred at the rate assumed; people are staying in their apartments longer. House 1 also assumed labor and wage rate changes which have not materialized. Another \$3M is assumed to come from local housing authority budgets, but legalities may prevent this savings. It is unclear how EOCD will be able to make up the \$10M.

SHARP
3722-9027

FY'89 Appropriation: \$ 16,711,969
FY'90 Expenditures: \$ 23,406,555
FY'91 Appropriation: \$ 31,406,555
FY'91 Funds Available: \$ 31,406,555
FY'92 House 1: \$ 36,132,327

State Housing Assistance for Rental Production (SHARP) is a loan fund for the development of mixed income housing projects. Appropriations reflect the cost of commitments made in previous years. No new commitments have been made since FY'87.

**Housing
Services
3743-2036**

FY'89 Appropriation: \$ 2,258,440
FY'90 Expenditures: \$ 1,950,684
FY'91 Appropriation: \$ 564,480
FY'91 Funds Available: \$ 564,480
FY'92 House 1: \$ 0

This homelessness prevention program provides workshops and counseling on managing finances and properties for tenants and landlords. These services are provided by 22 local agencies. It also funds tenant-landlord mediation programs. According to EOCD, in a given year, the program prevents 3,600 families from becoming homeless at an average cost of \$612 per client, and assists over 18,000 low income families in maintaining stable housing arrangements.

Virtually eliminated during FY'91, House 1 eliminates the program entirely.

**Emergency
Fuel
Assistance
3745-1000**

FY'89 Appropriation: \$ 16,996,000
FY'90 Expenditures: \$ 11,199,000
FY'91 Appropriation: \$ 4,800,000
FY'91 Funds Available: \$ 0
FY'92 House 1: \$ 0

The state Fuel Assistance Program supplemented the Federal Fuel Assistance Program. Although funds were appropriated in FY'91, they were cut before any could be spent. House 1 eliminates the state program. It is not clear whether increased federal funds will make up the difference.

**DEPARTMENT
OF PUBLIC
WELFARE**

**Public
Welfare
Administration
4400-1000**

FY'89 Appropriation: \$ 135,376,116
FY'90 Expenditures: \$ 131,369,191
FY'91 Appropriation: \$ 123,890,647
FY'91 Funds Available: \$ 117,993,859
FY'92 House 1: \$ 109,715,456

The Department of Public Welfare has consolidated several accounts into this general administration account, including local offices, the Food Stamp Program and Project Good Health. The only separate administrative account is for Medicaid.

DPW currently maintains 57 local offices, whose workers administer benefits under the Aid to Families with Dependent Children (AFDC), Food Stamp, Supplemental Security Income (SSI), General Relief (GR), and Medicaid programs. They determine eligibility, and direct clients to health care, employment and training, and housing services. At present, over 630,000 children, parents, disabled and elderly people receive some form of assistance from DPW. In FY'91, seven offices were closed. There are 892 fewer staff than in July of 1988, a 19 percent reduction in total staffing levels.

The state pays half the administrative cost of the Food Stamp program; benefits are 100 percent federally funded. An AFDC family of three now receives a maximum benefit of \$193 per month, a \$20 increase over last year's \$173 benefit level. At least 77 percent of the combined AFDC and GR caseloads use food stamps. However, many SSI recipients who would be eligible for food stamps do not apply. Only 28 percent of those on SSI receive food stamps.

The food stamp caseload has been steadily increasing since FY'88. By December of 1990, the number of households served had reached 165,057 including 380,371 individuals, the highest number since FY'83. There was an increase of 12.3 percent in the individuals receiving food stamps from December 1989 to December 1990. The largest increase (15.5 percent) was among households who receive food stamps alone, with no other cash benefits. In 1988, 13 percent of the food stamp caseload received no other benefits, compared to 16 percent in 1990. Some of the growing ranks of the unemployed are able to take advantage of food stamp assistance, but only if they meet the assets requirements.

House 1 recommends funding at seven percent below current FY'91 funding levels. This will result in three more office closings and a reduction of 300 staff. DPW has not decided where staff reductions would be made. Central staff has already been reduced by 37 percent since 1988, with additional cuts projected for this year. Central staff run the ET Choices program, administer services to the homeless and carry out cost saving measures. If staff levels are too low, Medicaid and other savings are jeopardized.

Local office staff make up more than four-fifths of the DPW workforce. Between July and December 1990, nearly 175 local office staff were laid off or demoted. Since the number of recipients is growing, and staff laid off, caseloads are rising precipitously. In November 1990, the ratio of clients to staff was at 185:1 and is expected to increase to 200:1 by June of 1991. At these levels, there is concern that the error rate — which continues to remain at three percent — will also increase. If the error rate goes over four percent, Massachusetts will lose federal dollars.

**Employment
and Training
(E.T.) and
Voucher
Day Care
4400-1009**

FY'89 Appropriation: \$ 74,457,531
FY'90 Expenditures: \$ 78,771,362
FY'91 Appropriation: \$ 72,322,473
FY'91 Funds Available: \$ 70,547,751
FY'92 House 1: \$ 70,515,551

This account funds the E.T. Choices Employment and Training (ET) program and voucher day care. In FY'91, \$50.3M paid for child care, the remaining \$20.2M for job training, education, supported work and job placements.

ET Choices is the state's voluntary job training program for Aid to Families with Dependent Children (AFDC), General Relief (GR), and Food Stamp recipients. A federal account funds ET for food stamp recipients (4407-9050) and another state account funds ET for General Relief recipients (4407-1010). E.T. Choices has placed over 80,000 recipients in jobs since it began in October, 1983. In FY'91, the Department of Public Welfare (DPW) expects to place another 10,000 to 12,000 AFDC clients. During the first four years of the program, the AFDC caseload fell by 38 percent and the average length of a recipient's dependence on AFDC fell from 37 months to 28 months.

The average pay for an AFDC ET graduate at the end of 1990 was approximately \$15,500. The current average pay for an AFDC ET is approximately \$16,000. There has been steady improvement in the wages for ET graduates since the program's founding. In FY'88 the

average salary was only \$13,500. By FY'89, the salary had advanced to \$15,000. As the economy has slowed down, the growth in wages has slowed. The low range for graduates was about \$12,500 with the high range of about \$17,700. 48 percent received health insurance through their job. ET will not pay job placement contractors if the graduate's pay is less than \$12,000, or less than \$14,000 without health insurance.

Although participation in a job training or education program is not mandatory, a greater percentage take part in Massachusetts than in many other states. According to a study by the Urban Institute, while 70 percent of all AFDC adults are enrolled in, at least, orientation and assessment in Massachusetts, 35 - 40 percent do so nationwide. In Massachusetts, 50 percent of AFDC parents go on to sign up either for job training, job search, or education, while only 40 percent do in the rest of the country.

An ET graduate's average annual wage of \$16,000 is insufficient to allow graduates to pay the full cost of child care. For this reason, child care represents a key component of the program. Care is provided not only while the participant undergoes training, but also for one year after entering the workforce. Recipients receive a voucher for one year after graduation which the day care provider redeems. After that, children are moved into slots in day care centers that hold contracts with the Department of Social Services (4800-0060). In FY'90, the ET program covered 10,300 slots or vouchers per month. In FY'91, funds cover only 10,000 day care placements per month.

The availability of child care has been one of the components which made ET a national model. No one can be required to participate in job training without subsidized child care. But budget cutbacks this year have led to closed intake at day care centers for new entrants to training programs, with the exception of teen parents. There are still some slots available for those placed in jobs, or for those continuing in training. DPW has begun to emphasize the use of family day care or babysitters, at \$2/hour rates, in order to save money. To comply with department rules, the babysitter must either be a relative or a licensed family day care provider. Child care at these very low rates is not easily found.

The Urban Institute found that about half of the families with children under the age of six used day care centers; 39 percent used friends or relatives to watch their children; ten percent used licensed family day care or sitters.

House 1 funds this account just below FY'91 funding levels, but \$2.3M below what is needed to maintain current services. DPW expects to use \$53M for child care to fund 10,700 slots. The remaining funds for training are \$2.7M below FY'91 levels. DPW has not decided how many job placements can be achieved. In addition to cuts in training for ET Choices, House 1 eliminates all funding for General Relief ET.

**Aid to
Families
with
Dependent
Children
(AFDC)
4403-2000**

FY'89 Expenditures: \$ 583,901,292*
FY'90 Expenditures: \$ 587,775,721**
FY'91 Appropriation: \$ 592,700,000
FY'91 Estimated Expenditures: \$ 637,700,000* *
FY'92 House 1: \$ 704,879,000***

*FY'89 expenditures include both the AFDC and the Emergency Assistance (EA) programs. EA cost about \$56M in that year. In FY'90, '91 and '92, Emergency Assistance is funded under a separate line item (4403-2100). FY'89 expenditures do not include \$70.1M in child support collections.

**The FY'90 figure shown here reflects actual spending but does not include \$68.2M in child support collections. The FY'91 figure is projected spending not including approximately \$67.0M in child support collections.

***FY'92 House 1 appropriation does not include approximately \$79.0M in child support collections.

AFDC provides monthly benefits to all financially eligible families in which one parent is absent or in two parent families in which the principal wage earner has been unemployed for 30 days and is not receiving unemployment compensation.

For a family of three, the AFDC grant currently stands at \$539 per month, plus a \$40 monthly rent supplement for recipients living in unsubsidized housing. Monthly grants increased by 5.5 percent in FY'89, but there has been no increase since that time. In the mid-1980's, AFDC benefits increased from a starting point of 41 percent below to a level of about 25 percent below the poverty line. Three years of failure to keep pace with inflation has already eroded most of the progress that had been made. In fact, even with food stamp increases included, real income has declined nine percent for AFDC

families. The basic grant is now 42 percent below the 1991 federal poverty level of \$928.33 for a family of three. Those receiving the rent supplement are 38 percent below poverty. Eighty percent of AFDC recipients receive food stamps. When the grant is increased, the food stamp allocation is reduced.

There is no cost of living increase for AFDC recipients proposed in House 1. Based on the newest poverty rate figures, AFDC grants for a family of three in 1991 will continue to be at least 42 percent below the federal poverty line. For 1991, the federal poverty level is set at \$11,140 per year for a family of three.

The AFDC caseload has been increasing since 1989. In FY'88, the average monthly caseload was 84,297. By December of 1989, the caseload had grown to 89,862 and continued to increase to 99,146 by December, 1990, a 10.3 percent increase in one year. The AFDC caseload is dynamic, with about 130,000 families making use of AFDC during the course of a year, even though the projected average FY'91 monthly caseload is just under 100,000 families. Less than half of the 130,000 families live in subsidized housing. Most pay market rates. Two thirds of the AFDC caseload are children, about 192,000.

Most AFDC benefits are mandated by federal law and cannot be reduced by the state. Cuts have been proposed in categories not covered by federal law. The "optional AFDC filing unit" was eliminated earlier this fiscal year. This enabled an AFDC family to treat a niece or nephew living with them, for example, as a separate unit. The Governor proposes to eliminate additional benefits. In his FY'91 supplemental budget request, the Governor proposed to eliminate benefits to pregnant women during the first six months of pregnancy and to cut out supplemental and family reunification benefits. Supplemental benefits help families deal with fluctuations in earned income; family reunification benefits allow a family whose child has been placed in foster care to receive AFDC benefits for a limited period. The legislature rejected all three of these proposals.

The administration estimates that it would cost \$721M in FY'92 to provide the current level of services to the projected caseload. House 1 reduces that to \$704.9M, in part, by reducing benefits. House 1 AFDC line item language prohibits expenditure of funds for supplemental and family reunification benefits. There is no language that excludes pregnant women. House 1 projects another \$10M in savings through enhanced child support collections. Between \$67M and \$69M in child support collections are expected in FY'91. For FY'92, \$79M in collections are projected.

**Emergency
Assistance
(EA)
4403-2100**

FY'89 Appropriation: \$ 0*
FY'90 Expenditures: \$ 64,089,000
FY'91 Appropriation: \$ 62,734,225
FY'91 Estimated Expenditures: \$ 59,349,000
FY'92 House 1: \$ 46,028,225

*Included in AFDC account (4403-2000).

Created in the FY'90 budget, this account separated Emergency Assistance from the Aid to Families with Dependent Children (AFDC) account. Emergency Assistance pays for stays in emergency shelters and hotels or motels for homeless families and is used to prevent homelessness by paying for back rent or utility payments. Only about one third of the AFDC population makes use of EA.

Several restrictions have been implemented in the past two years. In FY'90, the legislature reduced from four to three the number of months for which back rent and utilities can be paid. A fourth month may be authorized in extraordinary circumstances. In FY'91, hotel/motel rates were restricted so that they would not exceed the regular rates charged to the public, and advance rent payments were restricted so as not to exceed the AFDC grant level. Public housing tenants were excluded from receiving back rent or utility payments, but a court threw out these restrictions. In addition, families who used emergency assistance more than once in a 24 month period would be placed on a protective payment schedule if DPW found that the family had "mismanaged" its funds. In these cases, payment for rent or utilities is forwarded directly to the landlord or utility company.

The administration has been working hard to restrict the use of Emergency Assistance, because the costs have been growing. DSS workers must make site visits to certain families who wish to enter a shelter or hotel/motel emergency arrangement. If the family is currently doubled up in housing, the DSS worker may determine that they should not be provided other shelter. There have also been increased housing search and homelessness prevention activities.

These measures have resulted in a drop in the number of families in hotels and motels. In November of 1988, there were 730 families in hotels or motels. As of April, 1991, there were 70. Advocates do not believe that the drop has occurred because families have found permanent housing, but rather, because entrance into these temporary arrangements for the homeless is more difficult.

The Massachusetts Coalition for the Homeless believes that one positive change occurred in FY'90. Under an outside budget section, DPW

is allowed to secure apartments for use as temporary shelters, instead of relying on hotels and motels. Combined with FY'91 cuts in housing subsidies, it is likely that homelessness will increase.

House 1 funds EA at \$46M, \$22.3M below its FY'92 maintenance calculation of \$68.3M. The \$22.3M reduction represents a \$13.3M state spending cut from FY'91 and an estimated \$8M reduction in federal reimbursements to this account. Outside Section 61 limits emergency assistance to one month's payment for back rent and utilities, and continues the limitation on advance rent and security deposits. Section 61 eliminates payment of back rent and utilities for residents of public or subsidized housing.

Limiting emergency assistance to one month's back payments creates a dilemma for recipients and will likely result in increased homelessness. Recipients are not eligible to receive EA for rent or utility arrears until they have received a shut-off or eviction notice, neither of which can happen in as short a time as one month. By the time EA can be used, back bills will have accumulated to a point beyond which EA can assist the family. If landlords refuse to accept the insufficient payment, the family will become homeless.

**General
Relief
(GR)
4406-2000**

FY'89 Appropriation: \$ 109,370,000
FY'90 Expenditures: \$ 129,057,000
FY'91 Appropriation: \$ 142,000,000
FY'91 Funds Available: \$ 147,461,540 - Estimated Spending
FY'92 House 1: \$ 170,532,400

General Relief (GR) is the state-funded income assistance program for individuals and families who are not eligible for federal programs such as Aid to Families with Dependent Children (AFDC) or Supplemental Security Income (SSI). In December 1990, the GR caseload was 36,331.

The caseload had increased 20 percent in the past year, more than any other benefits program, because of the worsening economy. Most of the GR population are individuals; only 13 percent are families. The number of families has been increasing steadily for the past six years: in FY'85, only five percent of the caseload were families. At present, about six percent are high school students living on their own. In FY'90, over 1,700 high school students received GR benefits for all or part of the year.

A GR family of three receives a monthly grant of \$486.60 plus a \$40 rent supplement if they live in unsubsidized housing. An AFDC grant for the same size family would total \$539 plus the rent supplement. GR benefits have not increased since FY'89. In fact, there has been a reduction in income and limitations on eligibility.

The recently passed FY'91 supplemental budget reduced the rent allowance for the GR recipients living in private housing from \$40 to \$35 per month. High school students over age 20 are no longer eligible. This affects primarily immigrants, whose education comes at a later age because of their recent arrival in this country. Language requiring legislative approval of changes was eliminated, giving DPW the authority to implement by regulation additional changes in GR eligibility rules.

The House 1 budget recommendation of \$170M is \$43M below the amount needed to fund the expected FY'92 caseload and presupposes a number of cuts outlined in the Weld/Cellucci Fiscal Recovery Plan. Some of these are specified in Outside Sections. Others are assumed, and will most likely take place through regulation changes. Planned reductions include:

- limiting GR to 12 months,
- eliminating the \$115 annual clothing allowance,
- keeping the rent allowance at the \$35 per month level,
- eliminating support to high school students over age 20,
- limiting Emergency Relief (ER) to one month, and prohibiting GR recipients in public or subsidized housing from using GR for back rent and utilities payments,
- instituting a voucher system for GR rent supplement,
- tightening medical disability criteria,
- eliminating the ET program for GR recipients (4407-1010), and
- increasing conversion of GR recipients to SSI rolls.

Outside Section 48 prohibits undocumented immigrants from receiving GR, but exempts otherwise eligible children, women in their third trimester of pregnancy, and people with handicaps or who are over age 65.

Outside Section 134 requires that any child applying for GR benefits to be included in the same household as other eligible applicants or recipients. Outside Section 136 allows the state to take into account the amount appropriated to the GR line item when considering changes in eligibility. The General Relief program is an entitlement — any eligible person who applies for benefits must receive them. If the GR account runs out of money, the state must pass a supplemental budget to keep the program adequately funded. While this section does not require DPW to adjust benefits downward, it opens the door for this to happen.

**Homelessness
Programs
4406-3000**

FY'89 Appropriation: \$ 29,833,190
FY'90 Expenditures: \$ 30,058,066
FY'91 Appropriation: \$ 29,808,000
FY'91 Funds Available: \$ 29,808,000
FY'92 House 1: \$ 30,688,400

This account funds 50 to 75 percent of the cost of operating emergency shelters throughout the state. In addition to shelter, families and individuals are provided with food, clothing, medical care and housing search assistance. At this time, there are 68 family shelters, with a capacity to serve 590 families per night.

In FY'91, DPW is targeting its shelter program to two groups with particular needs: pregnant or parenting teens and families with substance abuse problems. During FY'91, ten shelters will house those with substance abuse problems. Two of these are conversions from existing shelters, three had already been in existence, and five are new. For pregnant and parenting teens, five programs serve approximately 40 families.

Due in part to new regulations adopted by DPW which make it more difficult to qualify for emergency housing and to increased housing search efforts, the number of families served by shelters declined from 6,200 in FY'89 to 4,700 in FY'90.

A Department of Social Services worker must make a site visit to the family's current location to determine the severity of their problem. Homeless people can be assigned to a particular shelter under certain circumstances. If they refuse to go there, they may not be offered alternatives.

House 1 provides maintenance level funding for this account; it is assumed that \$30.7M is enough to fund the same number of shelter beds in FY'92.

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**DEPARTMENT
OF
SOCIAL
SERVICES**

**New Chardon
Street
Home
4800-0050**

FY'89 Appropriation: \$ 570,021
FY'90 Expenditures: \$ 515,202
FY'91 Appropriation: \$ 567,657
FY'91 Funds Available: \$ 549,973
FY'92 House 1: \$ 545,426

This account provides funds for a Department of Social Services operated homeless shelter for women and children, which has been in operation since 1859, the last 57 years in its present location. The shelter currently houses fourteen families. House 1 adequately funds the shelter, although it may have to drop one staff person through attrition next year.

CHILD CARE

Today, 927,000 children under age 13 live in Massachusetts; more than half live in families where all parents work outside the home. More than a third are cared for by adults other than their parents for some portion of every work day. In FY'90, there were nearly 16,000 licensed child care programs including family day care, group day care, school age day care and substitute care in Massachusetts. The combined full-time capacity of these facilities was 160,687, and the number of children enrolled on a full-time or part-time schedule totaled just under 185,000 in FY'90.

Parents who need child care have to pay more for it than ever before. Since 1987, the average annual cost of child care in the state has risen by 13 percent: from \$7,325 to \$8,277 for infants and toddlers in child care centers; from \$5,075 to \$5,735 for preschoolers in centers; and from \$5,400 to \$6,102 for children in family day care.

The burden of the rising cost of child care falls most heavily on low and moderate income families. Over half the low income families in Massachusetts who use child care pay 10 percent or more of their income for that care; 39 percent pay 15 percent or more.

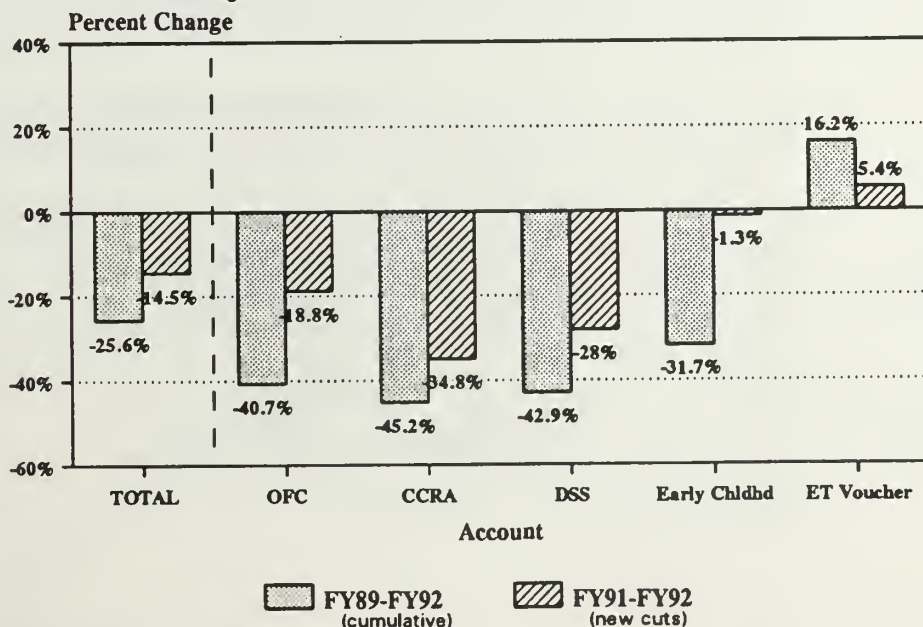
The Office for Children estimates that more than 135,000 Massachusetts children whose parents are employed qualify for a state child care subsidy. In FY'91, the total number of available subsidies in the state is 25,294 — a reduction of 4,333 from last year. (To become eligible for a state subsidy, families must have an annual income less than 70 percent of the state's median income — \$19,116 for a family of three, or \$22,752 for a family of four.)

Child Care Cuts

Several factors cause FY'92 to look like a dismal year for child care funding. Although the plan for next year includes new federal money to expand and improve child care services in the state, House 1 proposes to reduce state funds being spent on child care, so that the federal money will only replace state spending cuts.

Child Care: Changes in Funding FY89 - FY92

Funding in accounts shown declined from \$122.6 M to \$74.2 M



NB: Only child-related funds are included in figures for the OFC, DSS, and ET programs.

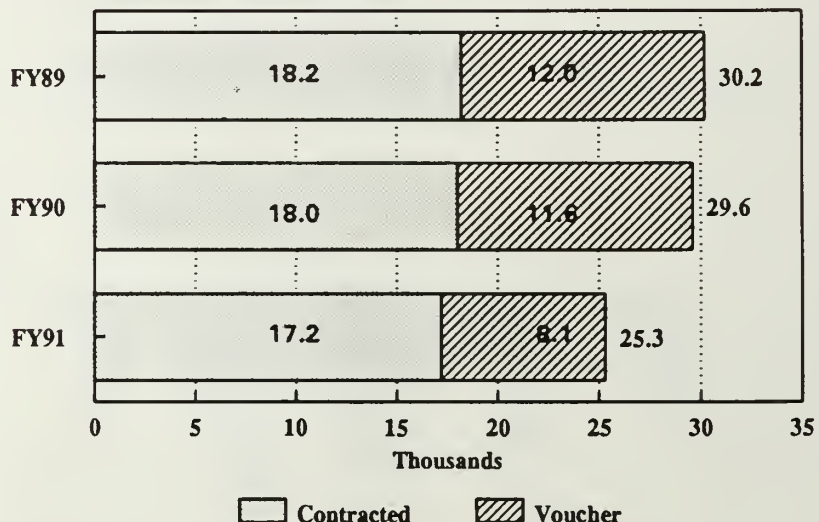
The preceeding graph illustrates the changes in funding for child care from FY'89 to FY'92. With the exception of funding ET vouchers, child care programs have been severely reduced.

House 1 proposals for FY'92 do further damage by continuing some cuts and initiating others which will affect the infrastructure of the child care system. Some of these cuts include:

- In FY'91, 4,333 child care subsidies were eliminated; further cuts are expected in FY'92. As shown by the following graph, based on data provided by the Department of Social Services, subsidized child care has been severely reduced over the past three years.
- Since June 1990, parents who meet income eligibility requirements and are working are no longer eligible to receive subsidized child care.
- Employment and Training graduates are no longer assured of subsidized child care after their training period and transitional work year are completed.
- Funds for training child care providers were cut to to the point that House 1 eliminates *all* funding for training in FY'92.
- Child care workers in agencies with state contracts, historically underpaid, have not had a salary increase in 30 months, threatening the stability of child care. Among adult work environment variables, wages are the most important factor affecting quality.

Decrease in Subsidized Child Care Slots FY89 - FY91

Fiscal Year



Downgrading Child Care Standards

Since 1982, Massachusetts has taken great strides forward in making child care more available, more affordable and of better quality. While much has been accomplished, we are still only on the way to seeing that all families who need child care have access to affordable high quality child care. It is agreed by parents, teachers, and child care development experts that good child care is that which keeps group sizes small and has fewer children per adult caregiver. In addition, good child care is staffed by caregivers with solid training and low turnover — a quality best achieved by paying employees decent wages. The budget crisis has threatened and, in some cases, actually scaled back the important progress of the last nine years.

Several areas where Massachusetts has taken steps backward are:

- Independent child care or baby-sitting (\$2/hr) is now the only remaining option for most ET participants and is generally less dependable and harder to find at the \$2 rate. This type of care is nearly impossible to monitor for quality.
- Although college level training correlates strongly with the quality of care, Massachusetts discontinued its day care training program.
- Family day care licensing assignments increased from an assignment of 390 homes in FY'89 to 415 homes on average; expired group day care licenses increased from 10 percent in FY'89 to 16 percent in FY'90.
- DSS purchase of service standards have been changed, increasing the number of preschool children per adult caregiver from 8 to 10. While DSS acknowledges the extra demands that face teachers working with at-risk children, two more children for each teacher will negatively affect the program for all children.

The number of child care facilities continues to increase while several programs aimed at improving the quality and affordability of that care have been reduced or terminated. Parents who have adequate income and expertise are able to find quality child care, but others who do not have the means cannot.

The problem is compounded by the negative impact the economic climate has had on the child care system as a whole. Providers have little or no flexibility in responding to staffing vacancies and increased costs of basic program operation. Increasing numbers of day care programs have vacancies in child care slots they are unable to fill because of the high unemployment rate and the cost of child care.

Progressive Child Care Efforts

In FY'91, several positive initiatives are recognized. Among these are:

- Chapter 521 of the Acts of 1990, An Act Relative to Child Care in the Commonwealth which took effect in FY'91. It involves four areas of implementation:
 - The Child Care Affordability Scholarship Fund, created to provide subsidies for families earning up to 110 percent of the state's median income. No funding is provided by House 1 for this effort, however.
 - Employers, including the state, authorities, and municipalities, and those who contract with the state as of September 1, 1991 and employ more than 50 people must offer the Dependent Care Assistance Program, tuition assistance, or on-site or near-site child care to their employees.

- o Cities and towns can no longer require a special permit for the siting of a day care center.
- o Incentives for real estate developers and day care providers are included. In cities and towns that restrict the total floor area of buildings, the square footage assigned to child care facilities shall not be considered part of the total square footage. Other incentives involve tax rates and building owner requirements relating to providers.
- The new Federal Child Care and Development Block provides \$10M to Massachusetts. A total of 25 percent of the funds are reserved for quality improvement activities and before- and after-school and early childhood development services. The remaining 75% must be used to make child care more affordable or to improve quality and availability, with an emphasis on low income and special needs children.
- The nation's first centralized computer-supported system for the review and approval of child care staff credentials issues a standard "certification" to workers who meet basic staff qualification standards. The Office for Children issued 3,758 certificates of qualification in FY'90, and 4,269 in the first eight months of FY'91 to qualified individuals who wish to work in the state's licensed day care centers, nursery schools, and private kindergartens as teachers and directors.
- Child Care Resource Agencies (CCRA) integrated services for Employment Training (ET) program consumers and child care resource and referral functions as of January, 1991. CCRAs help parents find child care, provide training and technical assistance to child care providers, and in partnership with the private sector help develop community options for child care. The configuration of these core services is in jeopardy with a 33 percent cut in funding for FY'92.
- Regulations for School Age Child Care (SACC) are being revised to allow more flexibility for providers. The requirements for a full-time program administrator are being replaced with an administrative plan stipulation. Providers will be allowed to develop a plan to include older children in a more flexible way. The staff-child ratio for the overall program may be adjusted through staff assignment.

The following accounts fund child care services

**EXECUTIVE OFFICE
OF HEALTH AND
HUMAN SERVICES**

**Office for
Children
Field
Operations
4050-0005**

FY'89 Appropriation: \$ 10,600,000*
FY'90 Expenditures: \$ 7,219,912
FY'91 Appropriation: \$ 6,586,454**
FY'91 Funds Available: \$ 6,143,363**
FY'92 House 1: \$ 4,869,146**

Prior to House 1, this was account 4130-0005.

*In FY'90, this account was divided into three accounts; 4130-0005, 4130-0006 and 4130-0007.

** Additional funding comes from retained revenue, account 4050-0008, Day Care Licensing. For FY'92, this account has a revenue ceiling of \$960,000.

This account funds OFC's licensing, child welfare and family support services. In FY'92, House 1 moves this account to EOHHS as part of a reorganization plan which was not approved by the legislature. The account continues in House 1 as part of EOHHS.

Licensing is the focus of the discussion under the Child Care Section of the FY'92 Children's Budget. Child Welfare and Family Support services are discussed in the Child and Family Support Section.

OFC currently licenses nearly 16,000 out-of-home care settings for over 170,000 children aged 18 and younger. These facilities include child care centers, private kindergartens and nursery schools, school-age child care programs, family day care homes, residential facilities, and temporary shelters.

Over the past two years, the Licensing Division has seen a substantial increase in the number of child care programs that it is responsible for licensing and monitoring. At the same time, it is attempting to meet its responsibilities with a staff vacancy rate of 16.4 percent.

As of February 1, 1991, the Family Day Care (FDC) Program monitored and licensed 13,894 family day care homes, up from 9,270 homes in July of 1988. Because of vacancies, FDC licensors carry an average assignment of 415 homes, up from 390 in FY'89. In an attempt to cope with the increasing number of FDC applicants and focus more resources on visits, the Office recently increased the licensing renewal period from two to three years.

Also as of February 1, 1991, the Group Day Care (GDC) Program licensed 2,091 public and private child care centers. These centers care for over 100,000 children. In addition, the School Age Child Care Program (SACC) monitors 607 centers. GDC licensors are responsible for an average of about 87 programs, SACC licensors for just over 100. During FY'89, GDC licensors reduced the backlog of expired licenses from 15 percent to 10 percent. However, in FY'90, because of staff vacancies, the backlog of expired licenses has increased to 30 percent.

In addition, the Substitute Care (SC) Program licenses 305 public and private agencies which provide residential care for children, 64 temporary shelter services, 126 foster care placement agencies, and 82

adoption placement agencies. A total of nine SC licensors carry an average of 64 programs, as compared to 39 programs per licensor 18 months ago.

The Office has a \$960,000 retained revenue account for licensing fees in House 1. OFC intends to use the retained revenue to maintain licensors and reduce its licensing backlog. In FY'91, the retained revenue ceiling was \$216,466. Retained revenue increased 435 percent from FY'91 to FY'92, while reducing the 4050-0005 account by the corresponding amount.

The Division of Licensing has seen an increasing workload resulting from more programs seeking licensure and increases in the number of complaint investigations. Staffing has decreased due to vacancies. This has resulted in an increasing number of overdue license renewals, as well as an inability to respond in a timely manner to requests for assistance from new providers seeking licensure for the first time. The use of innovative licensing methodologies has had a limited impact on the problem, as the Division is strapped for staff to conduct the most basic licensing work. House 1 reduces this account by 17 positions.

**Day Care
Training
4130-0006**

FY'89 Appropriation: \$ 570,000*
FY'90 Expenditures: \$ 541,500
FY'91 Appropriation: \$ 494,438
FY'91 Funds Available: \$ 158,517
FY'92 House 1: \$ 0

*Incorporated in account 4130-0005 in FY'89, transferred to 4050-0005 under House 1.

This account provides training for family day care (FDC), school age and group day care workers. It pays for conferences, seminars, and early childhood education courses at public and private colleges. During FY'90, this program provided training through 100 course offerings, and five FDC conferences.

In FY'91, the program was able to provide 37 courses. Students paid for courses in part and partial funding came from Bay State Skills and the Department of Education. 500 participants in each FDC conference in FY'91 paid \$25; in FY'90, 650 participated at no cost. A School Age conference is scheduled in FY'91 along with the FDC conferences for which payment will be collected. House 1 proposes eliminating this account.

**Child
Care
Resource
and
Referral
4050-0016**

FY'89 Appropriation: \$ 1,835,918
FY'90 Expenditures: \$ 1,790,733
FY'91 Appropriation: \$ 1,718,801
FY'91 Funds Available: \$ 1,542,933
FY'92 House 1: \$ 1,005,588

Prior to House 1, this account was 4130-0006. House 1 moves it to EOHHS as part of a reorganization plan which the legislature did not approve. This account continues, however, to appear in House 1 as part of EOHHS.

This account funds CCR&R programs in 13 Child Care Resource Agencies (CCRA). CCRA's were created to provide a one-stop service for parents and increase efficiency of service, combining Child Care Resource and Referral Programs and Voucher Management Agencies. The CCR&Rs helped more than 25,879 parents with their search for child care in FY'90. The agencies also work with employers interested in assisting their employees in solving their child-care problems, provide technical assistance to prospective new providers and provide training to child care workers. CCR&Rs now have contracts with employers totaling more than \$1M. The Commonwealth's \$1.5M investment generates an additional \$1.7M in private funding.

House 1 recommends funding that is 45% below the FY'89 amount and seriously jeopardizes the ability of the CCR&Rs to provide the core funding essential to generate private funds.

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**DEPARTMENT OF
PUBLIC WELFARE**

**Employment
and Training
(ET) and
Voucher
Day Care
4400-1009**

FY'89 Appropriation: \$ 74,457,531
FY'90 Expenditures: \$ 78,771,362
FY'91 Appropriation: \$ 72,322,473
FY'91 Funds Available: \$ 70,547,751
FY'92 House 1: \$ 70,515,551

This account funds the ET Choices employment and training program and voucher day care. In FY'91, \$50.3M paid for child care, the remaining \$20.2M for job training, education, supported work and job placements.

ET Choices is the state's voluntary job training program for AFDC, GR and Food Stamp recipients. A federal account funds ET for food stamp recipients (4407-9050) and another state account funds ET for General Relief recipients (4407-1010). The program has placed over 80,000 recipients in jobs since it began in October of 1983. In FY'91, DPW expects to place another 10,000 to 12,000 AFDC clients. During the first four years of the program, the AFDC caseload fell by 38 percent and the average length of a recipient's dependence on AFDC fell from 37 months to 28 months.

The average pay for an AFDC ET graduate at the end of 1990 was approximately \$15,500. The current average pay for an AFDC ET graduate is approximately \$16,000. There has been steady improvement in the wages for ET graduates since the program's founding. In FY'88 the average salary was only \$13,500. By FY'89, the salary had advanced to \$15,000. As the economy has cooled down, the growth in wages has slowed. The low range for graduates was about \$12,500 with the high range at about \$17,700. 48 percent received health insurance through their job. ET will not pay job placement contractors if the graduate's pay is less than \$12,000 or less than \$14,000 without health insurance.

Although participation in a job training or education program is not mandatory, a greater percentage take part in Massachusetts than in many other states. According to a study by the Urban Institute, while 70 percent of all AFDC adults are enrolled in at least orientation and assessment in Massachusetts, 35 - 40 percent do so nationwide. In Massachusetts, 50 percent of AFDC parents go on to sign up either for job training, job search, or education, while only 40 percent do in the rest of the country.

An ET graduate's average annual wage of \$16,000 is insufficient to allow graduates to pay the full cost of child care. For this reason, child care represents a key component of the program. Care is provided not only while the participant undergoes training but also for one year after entering the workforce. Recipients receive a voucher which the day care provider redeems. DPW provides vouchers for one year after graduation. After that, children are moved into slots in day care centers that hold contracts with the Department of Social Services (4800-0060). In FY'90, this program covered 10,300 slots or vouchers per month. In FY'91, funds cover only 10,000 day care placements per month.

The availability of child care has been one of the components which made ET a national model. No one can be required to participate in job training without subsidized child care. But budget cutbacks this year have led to closed intake at day care centers for new entrants to

training programs, with the exception of teen parents. There are still some slots available for those placed in jobs, or for those continuing in training. DPW has begun to emphasize the use of family day care or babysitters, at \$2/hour rates, in order to save money. To comply with department rules, the babysitter must either be a relative or a licensed family day care provider. Child care at these very low rates is not easily found. The average hourly rate for licensed family day care is \$2.44.

The Urban Institute found that about half of the families with children under the age of 6 used day care centers. 39 percent used friends or relatives to watch their children. 10 percent used licensed family day care or sitters.

House 1 funds this account just below FY'91 funding levels, but \$2.3M below what is needed to maintain current services. DPW expects to use \$53M for child care to fund 10,700 slots. The remaining funds for training are \$2.7M below FY'91 levels. DPW has not decided how many job placements can be achieved. In addition to cuts in training for ET Choices, House 1 eliminates all funding for General Relief ET.

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**DEPARTMENT
OF
SOCIAL
SERVICES**

**Day
Care
4800-0060**

FY'89 Appropriation: \$ 96,925,259
FY'90 Expenditures: \$ 61,961,471
FY'91 Appropriation: \$ 79,200,000
FY'91 Funds Available: \$ 76,869,929
FY'92 House 1: \$55,362,879

This account provides funding for child care services provided by private agencies under contracts with DSS. As of March, 1991 DSS was providing services to 12,811 low income children, 4,015 children in need of protective day care, and 383 teen parents. An additional 8,085 children receive child care vouchers (funded through account 4400-1009). The total number of child care subsidies funded by the state has been reduced by 5,000 since FY'89. Approximately 1,600 children were on waiting lists for protective child care in March of 1991. Waiting lists for work-related care are not being maintained since intake for this group is closed.

Additional funding for child care subsidies comes from federal child care block grant funds and retained revenue. The FY'91 budget for child care subsidies has a \$5.8 million deficiency due to a shortfall in retained revenue for this fiscal year.

House 1 reduces funding in the current services budget by \$22 million. The budget would make up \$10 million of that figure with funding from the new federal child care bill. Advocates have disputed this figure because 1) the new funds are not supposed to replace existing child care expenditures, and 2) the new law stipulates that at least 25 percent of the new money be spent on improving the child care infrastructure, not on direct services. Additional savings in the account will be realized from the annualized savings from FY'91 reductions in subsidized child care slots, and reduced staff-child ratios required for contracted programs. In a best case scenario where DSS is able to expend all of its allowed retained revenue of \$6.5 million, and is allowed to spend all new federal money on direct services, the Department estimates it will fall short of its full obligations by \$1.9 million. This scenario continues to keep the door closed to low income working parents who need a child care subsidy in order to work, thereby increasing the possibility of higher AFDC caseloads.

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DEPARTMENT OF EDUCATION

**Early
Childhood
Education
7030-1000**

FY'89 Appropriation: \$ 10,000,000
FY'90 Expenditures: \$ 7,495,345
FY'91 Appropriation: \$ 7,196,160
FY'91 Funds Available: \$ 6,921,267
FY'92 House 1: \$ 6,829,636

This Chapter 188 program funds school districts to establish publicly run preschool, enhanced or extended day kindergarten, and child care programs. Seventy-five percent of all funds are targeted to low income school districts. Providing early childhood education has been identified by the Board of Education as a top priority. Funding was reduced by 25 percent in FY'90, and was further reduced by 8 percent in FY'91. In FY'91 the program is serving 11,500 students in 135 school districts, including 3,020 children in preschool programs, 7,545 children in enhanced kindergarten programs, 765 children in extended day kindergarten programs, 250 children in day care programs, and

180 children in transitional programs. Due to budget cuts the program will serve about 1,020 fewer children than in FY'90. In addition, some communities have eliminated transportation services, outreach, and curriculum and staff development, and decreased the hours of operation or the length of the school year for preschool children.

**Head Start
7030-1500**

FY'89 Appropriation: \$ 6,000,000
FY'90 Expenditures: \$ 5,985,168
FY'91 Appropriation: \$ 6,720,000
FY'91 Funds Available: \$ 6,000,000
FY'92 House 1: \$ 5,760,000

This account provides subsidies to federally funded Head Start programs to support salaries and expansion of services. Salary grants are used to attract and retain qualified staff; expansion grants allow programs to serve additional children. Head Start programs in Massachusetts serve an additional 450 children with state funding.

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**EXECUTIVE
OFFICE OF
ECONOMIC
AFFAIRS**

**Corporate
Child
Care
9000-0104**

FY'89 Appropriation: \$ 73,250
FY'90 Expenditures: \$ 22,107
FY'91 Appropriation: \$ 16,320
FY'91 Funds Available: \$ 16,320
FY'92 House 1: \$ 16,485

This account funds the Commonwealth's Corporate Child Care Project, a program which encourages businesses to invest in child care. The project uses consultation, technical assistance and educational materials to market child care to businesses. The current appropriation is inadequate to develop all needed materials and respond to every business interested in child care. At present, over 400 employers offer some sort of child care or resource and referral services to families, often through the local Office for Children Child Care Resource and Referral Agency.

CHILD AND FAMILY SUPPORT SERVICES

The Department of Social Services is responsible for the care and protection of children who have been abused or neglected in Massachusetts. DSS also provides services for children and families with other problems which threaten their emotional well being. The service system for troubled children and families in Massachusetts is under severe stress because the number of people who need help is increasing rapidly while state funding for social programs is shrinking.

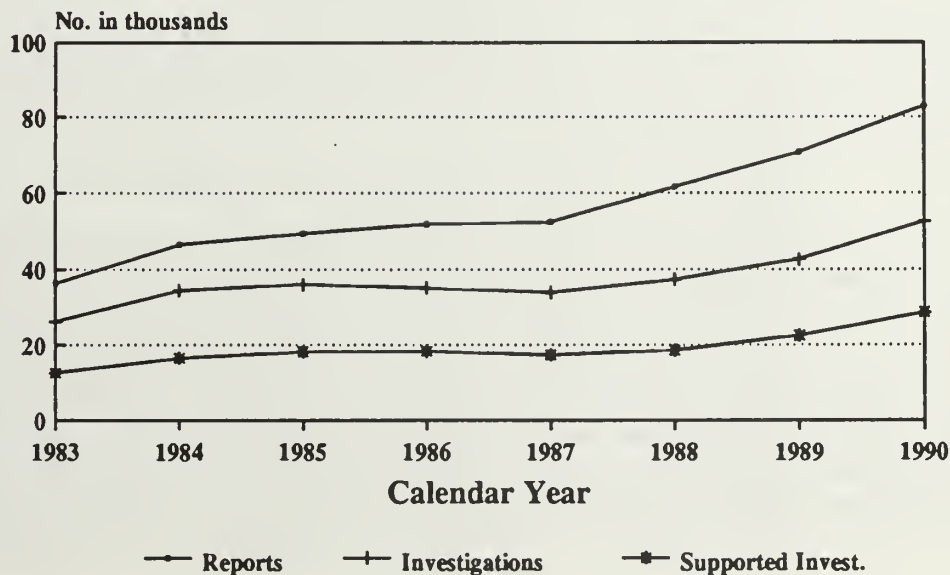
The Office for Children (OFC) budget has also been severely reduced. OFC provides I&R as well as case advocacy for thousands of children.

Rise in Child Abuse

Between calendar years 1983 and 1990, the number of children involved in abuse and neglect reports rose from 36,258 to 82,831 — an increase of 128 percent. Between 1989 and 1990 alone, the number of reports rose 17 percent. Of the 1990 reports, DSS investigators found reasonable cause to believe that 28,621 children had been abused or neglected — a 27 percent increase over 1989. (Note: These numbers involve some duplication. The same child may be involved in more than one incident or the incident may be reported more than once.)

Child Abuse and Neglect, 1983 to 1990

*Children Reported, Investigated & with
Supported Investigations of Maltreatment*



During FY'90, DSS referred 2,725 cases of severe sexual and physical abuse involving 3,121 children to district attorneys' offices for criminal investigations. The number of cases referred increased four percent over the previous year.

Increased Demand for Services

As of December 31, 1990, DSS was serving 25,856 families — including 12,345 children, up 11.5 percent, and 14 percent, respectively from 1989.

In March of 1991, 1600 children were on waiting lists for protective child care.

DSS provides services to teen parents through young parent programs. The number of births to teens in Massachusetts under age 20 increased by 13 percent from 6,851 in 1986 to 7,733 in 1989. In 1989, the birth rate for young women ages 15 to 19 reached 38 per 1000 women.

Child Deaths

In 1988, there were 68 child deaths known to DSS. In these cases, DSS has had prior contact with the child's family, or has had no previous contact but receives a report after the child has died. In 1989, that figure rose to 83, and to 89 in 1990, a 31 percent increase in two years. DSS attributes the rise in child deaths to infant deaths that are drug-related.

The Effect of Substance Abuse on Family Violence

Increases in family violence can be linked directly to drug and alcohol abuse. Statewide, the category of child abuse that showed the greatest increase was neglect, circumstances in which parents or guardians do not attend to the basic needs of their children. The number of neglect cases rose from 38,010 in 1989 to 46,766 in 1990. DSS attributes this trend, in part, to growing parental use of drugs, including alcohol and cocaine.

DSS receives over 1,000 reports of maltreatment of newborns a year, the vast majority of which are due to positive toxic screens or other evidence of fetal drug exposure. The increased prevalence of AIDS in children is directly attributable to intravenous drug use by the mother, her partner, or the indiscriminate exchange of sex for drugs. Since DSS saw their first HIV-involved child in 1987, 136 HIV-involved children are now a part of the DSS caseload. Over half of these entered the caseload system in FY'91.

Services for Children and Families Severely Cut Back

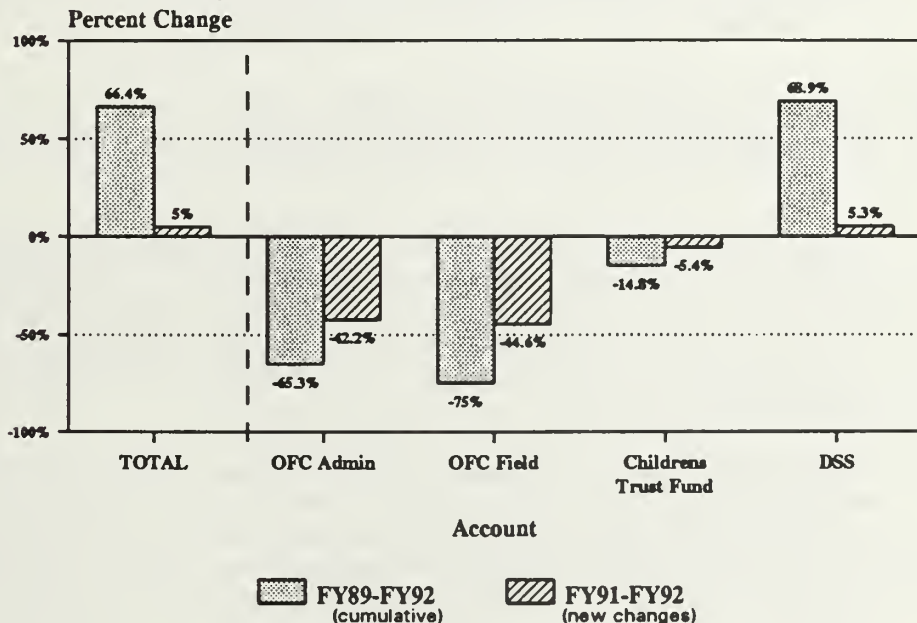
In the past two years the Department of Social Services has drastically reduced community-based services for children and families. In FY'90 and FY'91 DSS phased out all "open referral" contracts, which provided community support and prevention services to children and families who are not in DSS' protective caseload. Thousands of families received community counseling and treatment services to prevent child abuse and neglect, mediate family problems, and support services to help keep families together. Services to pregnant and parenting teens have been reduced over 50 percent in the past eighteen months. Five thousand fewer battered women, caring for about 7,500 at-risk children, are receiving DSS contracted court advocacy, counseling, and shelter services. As a result of the freeze in 707 certificates, many battered women and their children are becoming homeless. Five thousand fewer low

income families are receiving child care subsidies since 1989.

Thousands of children and families will not receive Office for Children (OFC) services. In FY'90, Help for Children responded to 62,000 requests for information, referral, and individual assistance in special education, access to basic needs, disability assistance and other services. In FY'91 OFC must provide these services with only 15 child welfare specialists, down from more than 40 just six months ago.

Child & Family Support: Changes in Funding, FY89 - FY92

Funding in accounts shown changed from \$207.7 M to \$345.6 M



NB: OFC Field and DSS do not include childcare.

Massachusetts Needs a Family Support Policy

Over the past twenty years, Massachusetts has developed innovative and responsive programs for children, based primarily on the philosophy that government can best help children by enabling families to care for their own children at home.

There is, too, an emerging consensus that new emphasis ought to be placed, and public investments made, in developing policies and programs which provide prevention and early intervention in the lives of children to help ensure less expensive and more favorable outcomes later in life. For example, a December 1990 report from the U.S. House of Representatives Select Committee on Children, Youth, and Families, "Opportunities for Success: Cost-Effective Programs for Children", points out that home visiting programs for troubled families which provide "early outreach to families with needed preventive services, such as prenatal care, social supports, skills training, and preschool education; lead to improved birth outcomes, reduced likelihood of maltreatment, and enhanced child development." Costs per child of home visiting programs range from \$100 per year to \$3400, far less than the cost of residential programs, which average \$35,000 per year, or more.

The American Public Welfare Association (APWA) has developed a framework for child and family services which recognizes the critical role of families in assuring the healthy development of children, and responds to serious concerns about the status of children and families today. This model includes:

- a commitment to support families for healthy child development;
- strong community investments — human and financial — to address needs of vulnerable families before crises emerge;
- a service perspective based on building family strengths and not focusing solely on deficits and dysfunctions.

Child advocates in Massachusetts are urging the Commonwealth to move forward to develop a child and family policy based on such principles. The APWA proposes a three part interlinking service approach to address family and children's needs.

Support for Families: development of a community service network with neighborhood centers that would provide families with access to a range of services, activities, and programs designed to promote family well-being. Services would be voluntary and would include parent education classes, parent support services, child care, prenatal care, literacy and employment programs, and child, youth, and family recreation programs.

Assisting Families and Children In Need: a system of services to strengthen and preserve families who are experiencing problems before they become acute, based on realistic, concrete, early intervention, delivered through a community-based service mechanism. Services would be voluntary and non-punitive, culturally responsive, include a mix of prevention and early intervention programs, community-based, and time-limited.

Protecting Abused and Neglected Children: the mission of children's protective services would be to protect all children from serious maltreatment, reasonable efforts to keep children in their own homes, and to provide permanency for children removed from their families. APWA proposes that protective services be family-focused. Core services should include: family based, out-of-home care, reunification, adoption, and long-term permanency. These services should be supplemented by a range of other social, economic, health, and mental health services, to support families and children in the protective system.

The following accounts fund child and family support services provided by the Department of Social Services and the Office for Children.

**EXECUTIVE OFFICE
OF HEALTH
AND HUMAN SERVICES**

**Office
for
Children
Administration
4050-0001**

FY'89 Appropriation: \$ 1,447,962
FY'90 Expenditures: \$ 1,355,961
FY'91 Appropriation: \$ 1,291,888
FY'91 Funds Available: \$ 1,215,937
FY'92 House 1: \$ 728,252

House 1 moves this account to EOHHS as part of a reorganization plan that was not approved by the legislature. This account, however, continues to appear in House 1 under EOHHS.

This account (previously 4130-0001) funds OFC central office expenses and a contract with the Disability Law Center (DLC) that provides representation for individual children in special education appeals. In FY'89, legal representation was provided to 69 low-income special needs children who needed help in obtaining their special education entitlements. Budget cuts have reduced the DLC contract by \$7,000 from FY'91 to FY'92. In FY'90, only 52 children were represented, and approximately 45 families will be represented in FY'91. Under House 1, only 30 families will be represented in FY'92.

House 1 funding is little more than half the FY'91 appropriation, eliminates funding for the Central office, funds three fewer staff than current levels and will result in an additional cut to the DLC contract.

**Office for
Children
Field
Operations
4050-0005**

FY'89 Appropriation: \$ 10,600,000*
FY'90 Expenditures: \$ 7,219,912
FY'91 Appropriation: \$ 6,586,454**
FY'91 Funds Available: \$ 6,143,363**
FY'92 House 1: \$ 4,869,146**

Prior to House 1, this was account 4130-0005.

*In FY'90, this account was divided into three accounts; 4130-0005, 4130-0006 and 4130-0007.

** Additional funding comes from retained revenue, account 4050-0008, Day Care Licensing. For FY'92, this account has a revenue ceiling of \$960,000.

This account funds OFC's licensing, child welfare and family support services. In FY'92, House 1 moves this account to EOHHS as part of a reorganization plan which was not approved by the legislature. The account continues in House 1 as part of EOHHS.

Child welfare and family support services are the focus of the discussion under the Child and Family Support Section of the FY'92 Children's Budget. Licensing is discussed in the Child Care Section.

This account funds OFC's Family Resource Centers. At the beginning of FY'90, this account supported 75 full-time staff positions. FY'91 cuts eliminated all but 15 child welfare specialists, management and support staff. The 15 child welfare specialists are funded at \$579,312, previously in a separate account, 4130-0007.

OFC's Family Resource Centers are the only statewide comprehensive information, referral, and individual assistance program for Massachusetts children. In addition, Family Resource Centers provide parent education and support groups, and community education. Family Resource Centers encourage services which support children, strengthen families within the context of the community, and enable families to nurture a child's physical, social and educational development. In FY'90, over 50 percent of OFC's individual assistance involved requests for general and special education, and nearly 15 percent were basic needs related.

During FY'90, OFC child welfare specialists responded to nearly 60,000 requests for information or referral for some type of children's service. In FY'91, layoffs and office closings have greatly reduced OFC's Family Resource Centers staffing and capacity, thus decreasing the agency's ability to support families.

OFC's Volunteers for Children program was eliminated in FY'91. It provided staff support, ongoing training and technical assistance to OFC's 41 locally-based Councils for Children. These councils struggle to maintain their 25 local volunteer programs aimed at child abuse prevention and other children's issues without staff support. Together, these child advocates gave nearly 100,000 volunteer hours to the Commonwealth's children in FY'90. It is unlikely that without staff support these volunteers will be able to sustain this level of involvement.

House 1 continues Individual Kid Money (IKM) at the current FY'91 level. IKM funds for legal representation for those who do not meet the Disability Law Center contract requirements are cut 50 percent; only 32 children will be represented in FY'91. IKM funding to help families in crisis situations was sharply reduced from \$160,000 in FY'89 to

\$60,000 in FY'90, FY'91 and FY'92. This small fund is used to help families with grocery money until the next AFDC check, fuel money needed because of federal cutbacks, or a month's rent to forestall eviction. IKM, as a primary prevention tool, maintains families in their own homes. Level funding in economically depressed times exacerbates the need for this funding.

In the past year, due to budget constraints, the Office has closed 25 field offices, sharply limiting local access to OFC programs. An additional base cut of \$628,076 reduces this account by 17 positions. Combining the 4130-0005 and 4130-0007 accounts is a 32 percent reduction from FY'91 current level.

**Community-
Based Child
Welfare
Services
4130-0007**

FY'89 Appropriation: \$ 0*
FY'90 Expenditures: \$ 1,962,592
FY'91 Appropriation: \$ 1,344,000
FY'91 Funds Available: \$ 1,045,381
FY'92 House 1: \$ 0

*In FY'89, this account was part of OFC account 4130-0005; \$2.3M was available for community-based Child Welfare Services.

House 1 would merge this account with OFC field operations (4130-0005), and move it to EOHHS. The new account is 4050-0005; \$579,312 is allocated for Family Resource Center Child Welfare Specialists. See the Child Care section for discussion.

**Children's
Trust
Fund
4050-0002**

FY'89 Appropriation: \$ 150,000
FY'90 Expenditures: \$ 136,760
FY'91 Appropriation: \$ 136,800
FY'91 Funds Available: \$ 131,574
FY'92 House 1: \$ 127,841

House 1 moves this account to EOHHS as part of a reorganization plan that was not approved by the legislature. This account, however, continues to appear under EOHHS in House 1.

The Children's Trust Fund, located at the Office for Children, began operating in FY'89. The Fund's Board, representing the private and public sectors, is appointed by the Governor and is authorized to raise and spend funds from public and private sources. The Trust Fund's sole purpose is to mobilize all sectors of the community to prevent child abuse and neglect by strengthening and supporting families.

The Massachusetts Children's Trust Fund has a three-part funding base: state, federal, and private. It receives contributions from state appropriations, as well as donations from corporations, businesses, foundations and individuals. All contributions to the Children's Trust Fund, from any source, are matched up to 25% by the federal government's Child Abuse Prevention Challenge Grant.

So far, during FY'91, the Trust Fund Board has raised \$44,000 in private contributions and received \$148,621 in federal funds. In FY'91, the state appropriation to the Trust Fund was used to fund two programs which provide child sexual abuse prevention education in school settings, with the balance defraying some of the costs of administration. The Board also made grants to a network of 21 volunteer-based family support programs.

House 1 reduces the FY'91 budget by \$3,733.

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**DEPARTMENT OF
SOCIAL
SERVICES**

**Permanency
Services
4800-0020**

FY'89 Appropriation: \$ 19,908,250
FY'90 Expenditures: \$ 22,896,791
FY'91 Appropriation: \$ 22,728,300
FY'91 Funds Available: \$ 22,728,300
FY'92 House 1: \$ 26,276,612

This account funds the administration and implementation of DSS adoption services, including adoption subsidies, home-finding, case management, placement, and information and referral. Adoption is the last of a series of service plans, designed to establish a permanent living arrangement for a child who cannot return to his/her biological family.

Adoption subsidies are provided to families caring for children with "special needs". Those children may also be disabled, members of a minority community, mixed race, or older. In FY'90 and in FY'91, adoptive parents received no rate increase. DSS projects that the FY'91 adoption/guardianship caseload will reach 4,318 by the end of the fiscal year. The FY'91 budget for adoption subsidies is in deficit by just under \$1M, which was appropriated in the FY'91 supplemental budget.

House 1 funds the FY'91 projected caseload and 8 percent growth. Two Outside sections in House 1 would hold costs down in this account. Section #195 calls for payment of adoption subsidies based on the financial need of the adoptive family. Section #184 cancels the reimbursement of incidental expenses for adoptive families, foster families, and group homes, and establishes a new receipt-based reimbursement system. The latter was implemented as an administrative policy in February 1991.

**Foster
Care
Review
4800-0025**

FY'89 Appropriation: \$ 2,273,588
FY'90 Expenditures: \$ 2,105,119
FY'91 Appropriation: \$ 1,816,249
FY'91 Funds Available: \$ 1,746,868
FY'92 House 1: \$ 1,715,523

This program reviews the cases of all children in foster or residential care in the state, required by law every six months. Review panels include three members — a staff reviewer, a DSS direct care worker, and a volunteer. The reviews assess individual services received by the child and progress toward reunification with the natural family. The program projects no deficit in FY'91. House 1 funding may require the elimination of one position through attrition.

**Foster
Care
4800-0030**

FY'89 Appropriation: \$ (funded in separate account.)
FY'90 Expenditures: \$ 38,100,000
FY'91 Appropriation: \$ 46,723,917
FY'91 Funds Available: \$ 34,117,664
FY'92 House 1: \$ 50,259,115

This account funds all DSS foster care services, including reimbursements to foster parents, clothing allowances, extraordinary expenses, and training. Foster care reimbursement rates did not increase in FY'90 or FY'91. DSS estimates that 10,589 children will be in foster care by the end of FY'91. The FY'91 supplemental budget appropriated an additional \$8.8M for this account.

Under the House 1 proposal, reimbursement rates will not increase. The caseload is funded at FY'91 levels plus growth of 22 percent. Expenditures in this account are also supported by federal revenue and retained revenue, which DSS plans to increase in FY'91 and

FY'92. Retained revenue will be increased in part through implementing a new fee structure for the parents of children in court-ordered placements. House 1 attempts to reduce costs in this account through Outside Section 184 (see account 4800-0020) and Outside Section 201, which establishes a new three-month case management review system.

**Group Care
4800-0041**

FY'89 Appropriation: \$ *
FY'90 Expenditures: \$ 60,799,011
FY'91 Appropriation: \$ 68,172,049
FY'91 Funds Available: \$ 68,172,049
FY'92 House 1: \$ 72,019,970

*In FY'89, group care placements were funded through the Regional Direct Services account, 4800-0200.

This account was created in FY'90 to fund DSS group care placements and six short term residential diagnostic and treatment centers for troubled adolescents. DSS projects that the caseload will stand at 1,739 at the end of FY'91. The FY'91 supplemental budget increased this year's appropriation to \$77,326,885.

House 1 funding is more than \$5M less than the current FY'91 appropriation. It assumes that several cost saving measures will be realized in FY'92, including the new incidental reimbursement system and the three-month case management review system. Also, Outside Section 209 calls for establishment of new eligibility guidelines for group care placement and Outside Section 207 calls for increased cost sharing with local education authorities for children in group care who have special needs.

**Social Workers
4800-1100**

FY'89 Appropriation: *
FY'90 Expenditures: *
FY'91 Appropriation: \$ 55,098,652
FY'91 Funds Available: \$55,098,652
FY'92 House 1: 58,279,553

* Prior to FY'91 social workers were funded through accounts 4800-0250 and 4800-1400, which have been reorganized into this and accounts 4800-1200, -1300, -1400, and -1500.

This account funds DSS social workers and supervisors. As of March, 1991 DSS employed 2,017 social workers and supervisors, a figure which is projected to fall to 1,941 through attrition by the end of FY'91. At present the average DSS social worker's caseload is 19.7. The Department was not able to hire an additional 80 staff it had projected to need in FY'91. The final FY'91 appropriation is \$60,393,883.

House 1 funding is more than \$2M less than spending for FY'91. It is adequate to support 1,941 staff and \$1M in anticipated overtime. It does not fund any travel or other support costs. Those costs could be covered if the new case management review process results in further staff reductions through attrition during FY'92.

**Partnership
Agencies for
the Provision of
Protective
Services
4800-1200**

FY'90 Expenditures: *
FY'91 Appropriation: \$ 15,152,982
FY'91 Funds Available: \$ 15,152,982
FY'92 House 1: \$15,030,274

* See account 4800-1100

This account funds the "PAS" agencies and counseling services for clients referred by those partnership agencies, which provide case management to children who have been abused or neglected and their families. The FY'91 supplemental budget did not fund a \$500,000 deficit in this account.

House 1 funding does not support the current level of services. The new case management review process is intended to apply to partnership agencies as well as the DSS caseload, and would further reduce staff through attrition.

**Prevention/
Family Support
4800-1300**

FY'89 Appropriation: *
FY'90 Expenditures: *
FY'91 Appropriation: \$33,129,294
FY'91 Funds Available: \$30,222,738
FY'92 House 1: \$ 29,031,419

* see account # 4800-1100

This account funds community-based abuse and neglect prevention and family support services for closed referral clients, including sexual abuse counseling and preventive services. House 1 is more than \$1M less than current spending and is not sufficient to cover current services. In FY'91, minimum funding for open referral services, available to families on a voluntary basis, was available. In FY'92, open referral services are removed from House 1 language and are no longer funded.

**Young Parents
4800-1500**

FY'89 Appropriation: *
FY'90 Expenditures: *
FY'91 Appropriation: \$ 2,929,343
FY'91 Funds Available: \$ 2,723,527
FY'92 House 1: \$ 2,624,353

* see account 4800-1100

This account funds programs for teen parents and their children. The programs provide crucial case management, counseling and parent education to young parents. House 1 funding is \$200,000 short of supporting the current level of contracts. The impact on providers will result in an additional ten percent cut for providers in FY'92.

CHILD HEALTH, NUTRITION AND SAFETY

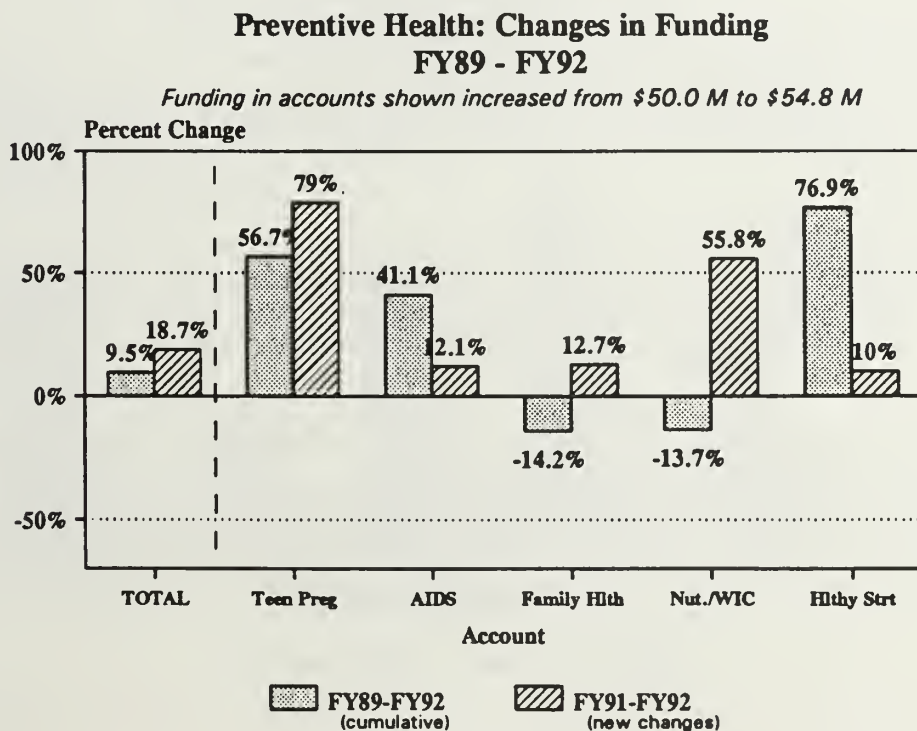
Massachusetts has a reputation for adopting progressive policies and programs to protect and improve the health of its children. A pioneer in universal immunization to prevent life-threatening childhood diseases, the Commonwealth recently created an innovative program — Healthy Start — to guarantee access to prenatal care for low income pregnant women; amended its lead poisoning prevention laws to step up activities to remove lead from housing stock and identify poisoned children; was the first state to supplement the federal Women, Infants, and Children (WIC) food supplement program; and passed the nation's first universal health care law.

The fiscal crisis has endangered all these important initiatives to improve the health of Massachusetts children.

Getting Babies Off to a Good Start

The Governor proposes increases in line items for WIC, family health services, teen pregnancy prevention, Healthy Start, and AIDS in House 1. The purposes of these programs are to discourage early pregnancy, get babies off to a good start, or intervene during early childhood to avert more intractable problems.

This section provides documentation, primarily from the birth data collected by the Department of Public Health, of the importance of these programs. They include front line prevention and early intervention programs that save lives and thousands of dollars in long-term health care, social services, and special education costs.



Community-based programs, for example, provide comprehensive prenatal care for 100 to 125 high risk women and offer broad community education reaching many more pregnant women for about \$100,000 per year. That cost is recouped if only two children are prevented from needing neonatal intensive care. In addition, years of medical care and special education costs are saved when fewer children are born prematurely or with low birthweight (less than 5 and one half pounds). A recent cost analysis of the WIC program found that, in five states, each dollar invested in WIC saves from \$1.77 to \$3.13 in Medicare costs, depending on the state, over the infant's first year of life.

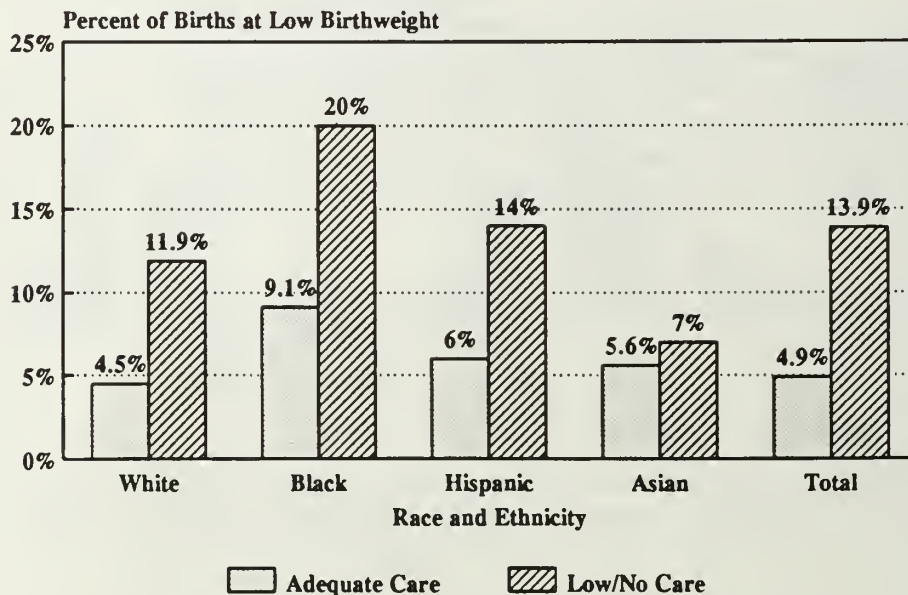
Prenatal Care, Low Birthweight, and Infant Mortality

The percentage of Massachusetts women who received adequate prenatal care fell from about 82 percent in 1980 to about 78.8 percent in 1988, a figure which held steady in 1989, the last year for which birth data is available. Minorities, women without private insurance, teens, and smokers are less likely to receive adequate prenatal care.

Differences by race and ethnicity are striking. In 1980, 82.7 percent of white mothers, compared to 73.2 percent of black mothers, received adequate care. Since then, the percentage of white mothers receiving adequate care has remained relatively constant, but the gap between white and black women has widened. The sharpest drop for black women since 1985 occurred from 1988 to 1989: from 60.3 percent in 1988 to 54.2 in 1989. In 1989, only 69.9 percent of Hispanic women and 65.5 percent of Asian women received adequate care.

Women who do not get adequate prenatal care are more likely to have low birthweight babies. In 1989, 4.9 percent of women with adequate care had low birthweight babies compared to 13.9 percent of women with late or no prenatal care. This difference occurred within all racial and ethnic groups, as the graph indicates:

Low Birthweight Babies, 1989 By Prenatal Care, Race and Ethnicity



Low birthweight babies are more likely to experience disabilities and/or have medical problems.

The infant mortality rate in Massachusetts has fluctuated since 1980, when it was 10.3 percent. It reached a low of 7.2 percent in 1987, rose to 7.9 percent in 1988 and dropped to 7.6 percent in 1989. The infant mortality rate by mother's race/ethnicity for 1989 was as follows:

Infant Mortality by Race and Ethnicity

Mother's Race/Ethnicity	Rate per 1,000 births
White, non-Hispanic	6.6
Black, non-Hispanic	18.8
Hispanic	8.6
Asian	4.6
Other	8.1
Average	7.6

Teen Pregnancy

The teen birth rate, defined as births per 1000 females aged 15 to 19, has fluctuated year to year but overall has increased by more than a third from 28.1 percent in 1980 to 38.0 percent in 1989. Although the population in this age group decreased by 26.9 percent, the number of births decreased by only 1 percent, from 7,694 in 1980 to 7,606 in 1989. Women under age 20 gave birth to 8.5 percent of Massachusetts babies in 1989, compared to 8.1 percent in 1988. Three percent of all births in 1989 were to teens aged 17 and under.

The costs of teenage pregnancy fall disproportionately on those least able to provide assistance — low income families with few resources. Recent research shows that teens with similar family incomes who have poor basic academic skills, whether black, white or Hispanic, are at highest risk of becoming parents. In October, 1990 there were approximately 6,800 Massachusetts pregnant and parenting teens on AFDC who were at high risk of having a second child before their 20th birthday.

Only 54.8 percent of pregnant teens under age 20 received adequate prenatal care in 1989, compared to 78.8 percent of all women. The percent of babies with low birthweight born to teens was 8.5, compared to 5.9 for all mothers. Teens are far more likely to rely on public financing for prenatal care, with 64.3 percent of teens using public financing, compared to 23.9 percent of all mothers.

Early Intervention

DPH's Early Intervention programs, partially funded through the family health account, provide instruction and therapy to children with developmental delays or at environmental risk, aged birth to three years. It also provides supports to families to enable them to care for their children appropriately. Studies have shown early intervention programs are successful in improv-

ing the developmental progress of young children.

An estimated 18,000 Massachusetts children are eligible for early intervention. The waiting list for service averages about 1,000 children. In FY'90, the program served 7,110 children; about the same number will be served in FY'91.

Sexually Transmitted Diseases and AIDS Among Teens

The incidence of sexually transmitted disease (STD) reported among Massachusetts teens has doubled since 1985. Teens ages 15 to 19 accounted for 23 percent of the gonorrhea, syphilis, and chlamydia cases reported in 1990 in the state.

Among 13 to 21 year olds tested in Massachusetts STD clinics, 2.5 percent are HIV positive. Twenty percent of AIDS cases are among 20 to 29 year olds. Given the long incubation period for AIDS, many of these young adults acquired the disease in their teens.

Fifty-two percent of 2,043 high school students in 41 Massachusetts schools surveyed by the Department of Education in 1989 reported that they were sexually active; 42 percent reported that they first had intercourse before age 15. Sixty-one percent reported they did not consistently use condoms; 1.6 percent said they use injectable illegal drugs; and 60 percent said they needed more AIDS education.

AIDS in Children

Increasingly, AIDS in children is a result of transmission of HIV, the virus that causes AIDS, from mother to child. The proportion of AIDS cases involving adult women increased from 2.2 to 11 percent from 1983 to 1991. An estimated 2.4 per 1000 women of childbearing age in Massachusetts are HIV infected, with the rate reaching 10 to 12 per thousand in urban areas. Often, the use of IV drugs by the woman or her partner is involved. As of April 1, 1991, DPH had enrolled 381 children in its study of Massachusetts children with HIV infection.

Health Care for All

In 1988, the Legislature enacted and the Governor signed Chapter 23, the Health Security Act, which committed the Commonwealth to making health insurance available to uninsured Massachusetts citizens. In FY'89, the first steps were taken to implement the various provisions of the law. According to an October, 1990 Department of Medical Security (DMS) report, A Household Survey of the Health Insurance Status of Massachusetts Residents, prepared by the Department of Health Policy and Management at the Harvard School of Public Health, the number of uninsured in Massachusetts declined from 600,000 in 1986 to 455,000 in 1989, largely as a result of the first steps in implementing Chapter 23.

Because of the decline in the number of uninsured, the study suggests that it will be less expensive than previously believed to implement the "employer mandate." This provision requires employers to either provide health insurance or contribute \$1,680 per employee towards the purchase of individual or family health insurance by 1992. However, the implementation of this provision is at risk: the legislature voted in its FY'91 supplemental budget package to delay the employer mandate to 1994. Governor Weld vetoed this section of the budget package and has announced his plan to repeal it entirely.

Even if the "employer mandate" is implemented, many Massachusetts residents will still be uninsured. According to the October, 1990 study, the employer mandate will cover only 42 percent of Massachusetts uninsured. If one adds the approximately 22,000 people (5 percent of the uninsured) who are receiving unemployment compensation and are now eligible for the Unemployed Insurance program, over half (53 percent) of Massachusetts' uninsured will remain uninsured.

Who Are the Uninsured?

According to the October 1990, DMS report, approximately 8 percent of Massachusetts residents lack health insurance coverage. Another 7 percent of Massachusetts residents (8 percent of those with insurance) are underinsured and had medical care costs in 1989 which were not adequately covered by their health insurance coverage.

The survey found that the majority of uninsured people live in households where someone is employed, the household's income is above the poverty line, and the household members are white. Six out of every ten uninsured have been without coverage for more than six months. Certain groups in Massachusetts are disproportionately uninsured. In contrast to the uninsured rate of 8 percent statewide:

- 29 percent of those who are unemployed are without health care coverage;
- 22 percent of those below the federal poverty level and 20 percent of those just above poverty (less than 200 percent federal poverty) are uninsured;
- 20 percent of the state's Black population and 26 percent of the state's Hispanic population are without health care coverage;
- 7 percent of Massachusetts children and teenagers (91,000 young people) are without health insurance coverage;
- only 1 percent of the state's elderly population reports that they have no health insurance;
- lack of health insurance coverage is most severe in Western Massachusetts where the uninsured rate of 15 percent is nearly twice the statewide rate.

Over half of all uninsured adults do not have an employer-provided insurance policy available to them. Either their employer does not offer insurance or they are unemployed themselves. While children whose families do not have insurance coverage have similar rates of illness as those with insurance, uninsured children receive less medical care. Uninsured children saw doctors two times a year, or half as often as children with insurance who had four doctor's visits per year.

In addition, 416,000 Massachusetts residents have coverage that is not adequate to meet their needs. As a result, those who are underinsured either did not receive health care because they could not afford it or suffered financial problems as a result of trying to pay for their health care. A substantial number of Massachusetts residents (78,000 or 2 percent of the population) did not obtain needed medical care because they were uninsured or underinsured.

Next Steps

Advocates support the implementation of Chapter 23, in spite of its limitations. Massachusetts advocacy groups are also participating in efforts to establish a national health care system and are working here to pass a new Massachusetts bill, the Family Health Plan. The bill will guarantee access and reduce administrative waste by establishing a Canadian model single payor system. The Family Health Plan will guarantee coverage to all Massachusetts residents and will include medically necessary hospital and physician care, diagnostic tests, prescription drugs, care by nurse practitioners, mid-wives and other health professionals. It will be funded by a new payroll tax on businesses (estimated at 9 percent), a special health care premium plus general revenue and federal matching funds to subsidize low-income people. All funds would flow into a single pool to be administered by a non-profit, publicly accountable Health Resource Corporation. The program will pay providers — both managed care and fee-for-service. The savings will come by eliminating administrative costs now paid to insurance companies.

A broad coalition of community organizations, seniors, disabled, unions, and low income advocacy groups have joined Health Care for All in supporting the new law. These groups are also working to prevent further cuts to existing health benefits. A number of Medicaid "savings" were included in the FY'91 supplemental budget just passed by the legislature. House 1 continues these savings and caps enrollment in Department of Medical Security insurance phase-ins. The Governor plans to repeal the Universal Health Care "employer mandate". House Ways and Means leadership is projecting elimination of all Medicaid optional services. Last year's effort to eliminate optional services was defeated, mainly because these services are less costly than inpatient hospital services and often prevent more serious illnesses later on.

The following accounts protect the health of Massachusetts children.

EXECUTIVE OFFICE OF HEALTH AND HUMAN SERVICES

Teen	FY'89 Appropriation: \$ 1,320,295
Pregnancy	FY'90 Expenditures: \$ 1,313,637
Prevention	FY'91 Appropriation: \$ 1,296,212
Challenge	FY'91 Funds Available: \$ 1,155,963
Fund	FY'92 House 1: \$ 2,069,168
4050-0720	

Prior to FY'91, this account was at EOHHS (4000-0720). In FY'91, the account and program responsibility was moved to OFC (4130-0720). House 1 moves the Office for Children (OFC) and the Challenge Fund account back to EOHHS.

The Teen Pregnancy Prevention Challenge Fund helps communities with the highest teen birth rates in Massachusetts develop and implement comprehensive plans to prevent teenage pregnancy. This year.

eight communities of the 18 eligible are receiving grants to implement pregnancy prevention programs. They are Boston, Chelsea, Fall River, Holyoke, Lawrence, Lowell, Springfield and Worcester.

Prior to FY'91, the program was located at EOHHS (then called EOHS). House 1 moves OFC and the Prevention Program to EOHHS at a level \$1M over this year's budget, which actually translates to a \$700,000 increase, given FY'91 cuts and their annualization. Cuts in FY'91 meant that some prevention programs were reduced or delayed.

In FY'91, from July to December, approximately 9,000 teens in 8 communities received access to comprehensive health and family education, counseling, leadership, mentor and role model programs; outreach programs specifically targeted to school dropouts and their families.

For FY'92, OFC will re-open negotiations with the ten communities that did not receive grants in FY'91: Berkshire County, Franklin County, Fitchburg, Gardner, Southern Worcester County, Brockton, Cambridge, Somerville, Lynn and Taunton.

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DEPARTMENT OF PUBLIC HEALTH

**Family
Health
Services
4513-1000**

FY'89 Appropriation: \$ 21,578,409
FY'90 Expenditures: \$ 19,021,079
FY'91 Appropriation: \$ 19,444,232
FY'91 Funds Available: \$ 16,425,925
FY'92 House 1: \$ 18,508,461

This account funds the majority of programs within the Department's Bureau of Parent, Child and Adolescent Health as well as Women's Health, Rape Prevention, and Suicide Prevention. The Bureau works to promote the health of women and children and support their families through Perinatal, Early Childhood and School Age and Adolescent Health Programs for both the broad maternal and child health population and children with special health needs. Bureau programs are carried out by five regional offices located across the state. In an effort to reach those at greatest risk, the Bureau targets its federal and state resources to low-income and special needs individuals, and to high-need areas of the state.

The Bureau supports therapeutic and preventive services to handicapped children and their families in an integrated and coordinated manner through its Division for Children with Special Health Care Needs. Community services include case management, the Medical

Review Team, in-home health care, pediatric nursing homes, adaptive housing services and three community-based residential programs for multiply handicapped children. The Early Childhood Development Unit provides early intervention programs and developmental day programs.

The Family Health Services account has seen major cuts over the past three years. For example, in FY'89, Early Intervention Program expansion was delayed, affecting 300 children; the pilot for a regional early intervention program for deaf children was not funded; and health services for parents and adolescents were frozen at the FY'86 level.

In FY'90, handicapped children's clinics, which provided direct health care services to 4,500 children with serious medical needs, closed on October 1, 1989, with little time to transition clients into local services. In addition, community services to handicapped children were reduced by 50 percent and 75 percent fewer children received in-home medical care. Funds were eliminated for housing adaptations and respite care in pediatric nursing homes. Crisis counseling for families who lost a child to Sudden Infant Death Syndrome was cut in half, affecting between 85 and 100 families. The Teratogen Pregnancy Hotline for pregnant women who think they may have been exposed to environmental hazards lost all government funding as of January, 1990. All contracted services (early intervention, adolescent, and maternal health) were cut.

In FY'91, Early Intervention (EI) was cut by \$1.4M. While new funds available as a result of legislation allowing third party reimbursement for EI services softened the impact of this loss, it still required elimination of about 450 children from EI programs. In addition, planned expansion to include 240 children on waiting lists could not be implemented.

The Governor's budget proposal represents an increase of \$1,652,000 to the FY'91 base. DPH plans to expand current programs to prevent poor health outcomes, especially to reduce infant mortality and teenage pregnancies.

**Office of
Nutritional
Services
4513-1002**

FY'89 Appropriation: \$ 9,432,881
FY'90 Expenditures: \$ 6,374,544
FY'91 Appropriation: \$ 6,709,751
FY'91 Funds Available: \$ 5,225,138
FY'92 House 1: \$ 8,141,559

Three programs are included in this account: the WIC (Women, Infants and Children) Program, the Office of Nutrition, and contracted services for children experiencing growth and nutrition deficits.

The Massachusetts WIC Program provides healthful foods and nutrition counseling for eligible pregnant, breast-feeding, and postpartum women and to eligible children under five years of age. It provides an individualized nutrition plan for each participant including food vouchers, nutrition education, and referrals to primary health care services. State funds were reduced in FY'89, FY'90 and FY'91. Nonetheless, as a result of a rebate to the program from sales of baby formula, and a number of cost-saving administration practices, the program increased its active caseload to support 77,823 participants in March of 1991. The program is now further increasing its caseload, reversing decreases due to cuts earlier in FY'91. Even so, WIC has always served fewer than half the number of women and children eligible. At the end of February 1991, the waiting list numbered 14,067 eligible women and children.

Although intended primarily as prevention, increasingly WIC serves women and children who need the program to treat medical conditions. Thirty-five percent of participants are pregnant women and infants with medically-related conditions.

DPH established the Office of Nutrition in FY'84. Current program initiatives focus on the prevention of hunger, poor nutrition, the reduction of malnutrition among pregnant women and children in the Commonwealth, nutrition for children with special health care needs, and improved access to nutrition and food assistance programs. An estimated 10,000 to 20,000 low income preschool children in Massachusetts are chronically malnourished.

Established in FY'84 to respond to the 1983 Massachusetts Nutrition Survey, Growth and Nutrition Programs provide intensive, family-oriented, interdisciplinary, pediatric outpatient services for children who are severely underweight. A total of 678 children were seen at seven clinic sites during FY'90. Waiting lists vary up to two months.

House 1 would provide a net increase of \$2.6M in this account. The primary effect would be to allow the addition of 4,000 monthly participants to WIC, provided that next year's infant formula rebate bid is

comparable to this year. House 1 also transfers \$225,000 from the Agricultural Development Division to this account to operate the Farmer's Market Coupon Program.

**Medical
Services
Program for
Pregnant Women
(Healthy Start)
4513-1005**

FY'89 Appropriation: \$ 3,100,179
FY'90 Expenditures: \$ 4,385,275
FY'91 Appropriation: \$ 4,766,780
FY'91 Funds Available: \$ 4,984,689*
FY'92 House 1: \$ 5,483,931

* FY'91 Funds Available includes a March 1991 supplemental budget.

The Healthy Start Program provides outreach, client advocacy and prenatal and post-natal coverage for low-income women who are not Medicaid eligible and have no other health coverage. With the creation of CommonHealth, this account funds those women with incomes falling between 185 percent and 200 percent of the federal poverty level. The program also assists women who are eligible for Medicaid to enroll.

A 1986 evaluation showed that Healthy Start participants had lower rates of premature birth and low birthweight babies than uninsured mothers. The greatest improvement was for the highest risk populations — black, teen, and unmarried women. The program expects to provide care for 2,300 women in FY'91.

If the costs of the program do not increase, at the House 1 level the program will be able to serve an additional 264 clients. Historically, however, the costs of the program increase 10 percent a year. In addition, the number of eligible women increases. With these increases, House 1 funding would be \$416,700 short and 199 clients would be turned away.

**Center for
Laboratory and
Communicable
Disease Control
4516-1000**

FY'89 Appropriation: \$ 15,121,485
FY'90 Expenditures: \$ 12,267,155
FY'91 Appropriation: \$ 13,293,462
FY'91 Funds Available: \$ 11,436,110
FY'92 House 1: \$ 10,933,183

The State Laboratory runs the Center for Laboratories and Disease Control (which includes newborn screening and testing for communicable diseases) and administers the state's universal childhood immunization program.

Massachusetts has maintained a very high level of compliance with recommended immunization schedules. For the 1988-89 school year, the immunization rate for polio was 97.9 percent; measles, mumps, and rubella (MMR) 98.8 percent; and for diphtheria, tetanus, and pertussis (DTP) 97.4 percent.

Despite the high level of immunization, more than 200 cases of whooping cough (pertussis), 60 cases of measles, and 50 cases of mumps were reported during 1989 in the state. Reported cases of whooping cough have increased steadily from 20 in 1984. Following a large measles outbreak in 1985 at Boston University, cases declined to six in 1988. Between 1984 and 1988, physicians reported an average of 18 cases of mumps per year. Due to outbreaks of measles and whooping cough, DPH distributed more vaccine during the first ten months of 1989 than during the same time period in 1988 - 120,482 doses of MMR vaccine, up from 87,118 in 1988; and 371,630 doses of DTP vaccine, up from 368,890.

In FY'90, vetoes and frozen funds reduced this account to about \$13.5M. At the same time the cost of the immunization program increased by 251 percent. The cost of the vaccines increased, the American Academy of Pediatrics recommended a second dose of the measles vaccine, and Massachusetts was forced to pay a new federal excise tax on vaccines manufactured at the State Laboratory. The resulting \$2.5M deficit in the immunization program was offset when the Governor released \$1.383M in frozen funds and the Budget Control Act established a "Vaccine Trust Fund". Funded by the uncompensated care pool, \$8M was allocated for FY'90 and FY'91.

House 1 recommends \$310,743 less than DPH estimates it needs to fund current services in this account in FY'91. However, with the \$10.7M from the free care pool, the vaccine program should be fully funded.

The account as a whole had seven percent less funds available in FY'91 than FY'90. FY'91 cuts included a 17.7 percent reduction in sexually transmitted disease (STD) intervention and a 16.7 percent reduction in tuberculosis (TB) outpatient services. The incidence of both STD and TB has increased with drug use and AIDS. Laboratory repair and maintenance had been indefinitely deferred, eroding the ability to maintain laboratory standards. Testing was eliminated for PCB exposure, pesticide and chemical residues in food and bottled water, food borne illness, and research with Boston City Hospital about effects of drug use on maternal health habits.

The Governor's proposed budget will require DPH to continue these reductions and further reduce the lab's capacity. In addition, no funds have been budgeted to respond to the likely recurrence of Eastern Equine Encephalitis, which required \$300,000 in FY'91.

House 1 will fund 166 full-time staff, a loss of 67 positions or 29 percent since the beginning of FY'89. DPH already foresees delays in all laboratory analysis work, and had wanted to add two new AIDS technicians. DPH is concerned that the staff cuts will jeopardize the state's ability to investigate and intervene in disease outbreaks, perform tuberculosis and sexually transmitted disease laboratory testing, and analyze drug samples for the courts.

**Community
Health
Centers
4510-0110**

FY'89 Appropriation: \$ 1,474,752
FY'90 Expenditures: \$ 1,234,752
FY'91 Appropriation: \$ 1,203,936
FY'91 Funds Available: \$ 1,045,582
FY'92 House 1: \$ 1,112,605

The Community Health Center account funds community health centers to provide primary care (obstetrics and gynecology, adolescent/pediatrics, and adult medicine), dental health, and social services, and supports some administrative costs for the health centers.

In FY'89, 41 community health centers received grants, but at a level 11 percent lower than those awarded in the previous fiscal year. In FY'88, 29,000 patient visits were funded through these grants; in FY'89 the number of patient visits dropped to 25,000. Funds available in FY'91 were 16 percent lower than FY'90 funds. In FY'91, 39 programs were funded with cuts of 7 percent each.

House 1 increases this account by \$57,159 over FY'91 spending. At this level, DPH expects to be able to add back 40 percent of the funds cut from programs in FY'91.

**Environmental
Health Programs
4510-0600**

FY'89 Appropriation: \$ 3,541,350
FY'90 Expenditures: \$ 2,928,897
FY'91 Appropriation: \$ 2,827,007
FY'91 Funds Available: \$ 2,602,552
FY'92 House 1: \$ 2,909,509*

* Merges \$388,585 from the Environmental Health Assessment account (4510-0102) into Environmental Health Programs. Environmental Health Assessment studies potential adverse effects from environmental conditions, such as the relation of environmental carcinogens to the incidence of cancer.

The Bureau of Environmental Health uses both federal and state funds to support four divisions: Food and Drugs, Community Sanitation, Radiation Control and Childhood Lead Poisoning Prevention. In partnership with other state, local, and federal agencies, the Bureau monitors environmental hazards and their effect on health.

About one third of this account funds the Childhood Lead Poisoning Prevention Program (CLPPP). Its primary mission is the long range elimination of lead poisoning among children under six years of age. In Massachusetts, fewer than half of all children under six years of age are tested for lead poisoning - 45 percent were tested in FY'87 and 46 percent in FY'89. In the three years from 1987 to 1989, an average of 1,021 children per year were diagnosed as lead poisoned in Massachusetts. Lead poisoning can cause permanent brain damage. More than one million homes and apartments in Massachusetts are estimated to contain lead paint.

CLPPP prioritizes inspecting the homes of children who are diagnosed as lead poisoned. While the number of inspections increased by 33 percent from FY'88 to FY'89, the number of units deleaded by property owners as a result of state inspections declined. Of the 669 initial inspections completed in FY'89, 350 involved poisoned children, 68 were inspections of day care centers and 38 were performed at the request of parents. As a result of state inspections, 407 units were deleaded by property owners last year; more than half after children were poisoned. In FY'88, 477 units were deleaded as a result of state inspections.

Deleading is expensive and, therefore, difficult for low-income property owners to afford. However, the Crisis Intervention Program, which offers immediate and complete deleading to low-income property owners in cases of serious poisoning, closed intake on July 1, 1989, because there were no funds. Between January, 1985 and July 1, 1989, 37 homes of high-risk lead-poisoned children were deleaded; 75 families had applied.

Over the past two years, reductions in the account have resulted in an overall decrease of 29.1 staff positions. All of the environmental programs have been affected. In FY'90, the Rodent Control Program was eliminated, lead inspections were decreased, and nuclear power plant monitoring was reduced. The capability of the Division of Food and Drugs to provide statewide food and drug inspections was severely diminished. In FY'91, further layoffs occurred, causing delays in lead poisoning and food and drug inspections as well as other environmental programs.

House 1 also reduces the ceiling in the Lead Retained Revenue account (4510-0603) from \$200,000 to \$75,000. DPH expects to collect at least \$125,000 in FY'92 from various fees. The revenue is needed for lead poisoning screening, inspection, and removal. House 1 will force the program to return the revenue to the General Fund. This reduction is of particular concern given that EOCD's lead paint removal grants and loans program (3748-0010) was never funded. The Commonwealth's lead law and DPH regulations established in 1988 for safe lead removal have never been adequately funded.

A second retained revenue account, Environmental Health Retained Revenue (4510-0614), is used for staff support and other subsidiary costs. At \$190,000, House 1 retains the FY'91 ceiling on this account.

AIDS
4512-0103

FY'89 Appropriation: \$ 14,618,020
FY'90 Expenditures: \$ 17,767,504
FY'91 Appropriation: \$ 19,216,101
FY'91 Funds Available: \$ 18,398,446
FY'92 House 1: \$ 20,624,159

The AIDS (Acquired Immune Deficiency Syndrome) Program supports research, testing and counseling services, public education activities, community health and home care services, treatment for patients in need of long term care, and efforts to prevent the spread of the disease among high-risk populations.

An estimated 25-35,000 residents of Massachusetts test positive for the AIDS virus. Of the 3,947 AIDS cases diagnosed in Massachusetts as of April 1, 1991, over half the patients have died. Overall, the number of individuals infected with AIDS has increased significantly. Massachusetts has the tenth largest number of AIDS cases in the nation.

As of April 1, 1991, there are 89 recorded AIDS cases in Massachusetts involving children under 13 years of age; another 15 cases involve adolescents 13 to 19 years of age. These children have serious symptoms and meet the federal government's strict guidelines for diagnosis. The mortality rate for children under 13 is 52 percent.

DPH is also studying Massachusetts children with known HIV infection or prenatal exposure. HIV, human immunodeficiency virus, is the organism that causes AIDS. As of April 1, 381 children from major pediatric referral centers had been enrolled in the study.

While the number of reported pediatric AIDS cases remains relatively small, the prevalence of HIV infection in childbearing women foreshadows an increase in pediatric cases in the near future. The vast majority of women with AIDS are in their peak childbearing years. According to the Theobald Smith Research Institute, and Massachusetts Department of Newborn Screening, 2.4 per thousand women of childbearing age in Massachusetts are HIV infected. In inner city areas, the rate reaches 10 to 12 per thousand women, disproportionately affecting women of color. Epidemiologic analysis of AIDS cases in women and children shows that many HIV infected infants will be born to IV drug-using mothers, or mothers whose partners use IV drugs.

There has been an increase in the proportion of AIDS cases involving adult women over the past six years. In 1983, 2.2 percent of AIDS cases were women. At present, 12 percent of all AIDS cases are women.

The increase in sexually transmitted diseases in adolescent females, particularly minority females, is an index of increasing high-risk heterosexual activity. One in seven teens contracts a sexually transmitted disease annually.

In FY'91, two child/family respite units were opened using these funds and federal housing dollars, but DPH was forced to eliminate 16.5 positions in this account and reduced several programs.

The Governor's budget funds current staff and purchase of service contracts, and annualizes funds for residential programs, early treatment and screening, and education and prevention projects, started during FY'91. An additional \$500,000 would be available for prevention and education for high risk populations.

**Substance
Abuse
Services
4512-0200**

FY'89 Appropriation: \$ 38,728,528
FY'90 Expenditures: \$ 38,054,054
FY'91 Appropriation: \$ 36,648,367
FY'91 Funds Available: \$ 32,205,224
FY'92 House 1: \$ 30,703,155

Through a combination of federal grants and state dollars, DPH's Division of Substance Abuse funds alcohol and drug abuse prevention and rehabilitation programs for low-income individuals who would not otherwise receive treatment. Youth under 20 comprise 8.5 percent of DPH clients. Many other children are affected by services provided to their parents and to pregnant women.

DPH youth services include:

- seven residential treatment centers,
- eight primary prevention centers,
- funding for youth seen in adult drug and alcohol programs,
- 43 separate youth intervention programs

The good news about adolescent substance abuse is that prevention efforts in the Commonwealth seem to be making a difference. Students surveyed in 1990 were significantly less likely to use drugs and alcohol than their counterparts surveyed in 1984 and 1987. The decrease in alcohol use for high school students from 1984 to 1990 was 13 percent; for drug use, the decrease was 35 percent. A higher percent of students reported that it was difficult or impossible to obtain drugs.

Yet the problem remains serious. In 1990, 51.1 percent of 9th to 12th graders and 19.5 percent of 7th and 8th graders reported that they had used alcohol in the 30 days prior to the survey; 20.4 percent of 9th to 12th graders and 5.5 percent of 7th and 8th graders reported use of drugs.

The most frequent cause of death among adolescents is automobile accidents, often the result of drug and alcohol use. More students in 1990 compared to 1984 reported that they had ever refused to ride with a driver who had drunk too much or used drugs; but 22 percent of high schoolers reported driving after drinking, 11.6 percent after having five or more drinks. Ten percent drove after using marijuana. These figures are self-reported by youth in school. Out-of-school youth are more likely to use drugs and alcohol. Nationally, youth out-of

school are 63 percent more likely than high school graduates to use drugs. In Massachusetts, a 1989 study of juveniles on probation showed that at least 42.6 percent had a substance abuse problem.

As the numbers in the table below indicate, an alarming number of Massachusetts youth have been referred to DPH because of drunk driving and for other substance abuse treatment.

Admissions to Publicly-Funded Substance Abuse Treatment

Service Type	Total Admitted	# Youth < 20	Percent ¹
Detoxification	28,255	679	2.4
Outpatient ²	24,305	2,448	10.1
Drunk Driver ³	19,913	1,093	5.7
Residential ⁴	5,384	187	3.5
Youth Residential	516	506	98.1
Youth Intervention	2,484	2,413	97.1
Other	11,141	352	3.2
Total	91,278	7,678	8.4

1 Percent of clients by treatment modality who are under age 20

2 Excludes Drunk Driver clients

3 1st and 2nd offender drunk driver clients

4 Excludes Youth Residential clients

House 1 budgets \$1.6M less than the Department's maintenance projection for this account. These cuts come on top of a \$5.8M (15 percent) cut in FY'91. Service cuts in FY'91 and projected additional cuts for FY'92 (based on House 1) include:

Service Type	FY'91 Cuts*	House 1 Cuts*
Detoxification	2,000 clients	550 clients
Ambulatory Visits	780 visits	390 visits
Counseling Sessions	7,300 clients for 58,000 sessions	3,000 clients
School-Based Prevention	15 workers	
Residential Treatment (youth and adult)	76 admissions	116 admissions
Other Services	60 high risk youth	30 high risk youth

* Cuts are for both the youth and adult populations.

**DEPARTMENT
OF
PUBLIC
WELFARE**

**Disabled Adults
and Children
Medical Care
and
Assistance
4400-4000**

FY'89 Appropriation: \$ 2,198,000
FY'90 Expenditures: \$ 8,496,000*
FY'91 Appropriation: \$ 14,787,777
FY'91 Funds Available: \$ 14,222,884
FY'92 House 1: \$ 15,076,257

CommonHealth is a new program developed in FY'89 as part of the state's new universal health care law. CommonHealth provides health insurance coverage to four populations: families with children who have left AFDC for employment, pregnant women and young children, disabled adults who would like to work but cannot afford to lose Medicaid coverage, and disabled children who are not eligible for Medicaid.

This account funds coverage for disabled adults and children. The Welfare to Work population and pregnant women and children receive coverage through Medicaid.

Parents of disabled children may purchase full or supplemental health insurance for their disabled child on a sliding fee basis. There are currently 2,636 individuals enrolled, 1,105 of whom are children. For children to be eligible, they must meet the relatively restrictive federal standard for disability. Many children with serious medical problems do not qualify.

Although CommonHealth saves money by preventing institutionalization, it has been threatened by budget cuts. The initial FY'91 funding for CommonHealth was \$14,787,777. Administrative cuts took \$564,893 out of the program. As of June, 1990, CommonHealth will not pay for intermediate care facilities or adult day health care for the disabled. Limits were placed on chronic hospital and skilled nursing facility services. Freezing enrollment was threatened, but has not yet happened. The program did move to quarterly open enrollment periods, which has the tendency to slow down participation.

From FY'90 to FY'91, the major increase in funding comes from adding new beneficiaries to CommonHealth during the course of one year, and then having to pay full-year costs the next. The House 1

recommendation will only cover inflation and the annualization of FY'91 costs. There is no funding to expand the numbers of adults or children enrolled.

Federal disability standards for children have been revised recently as the result of a federal court case. With the new standards more children will be eligible for CommonHealth.

**Medicaid
4402-5000**

FY'89 Expenditures: \$ 1,877,000,000*
FY'90 Expenditures: \$ 2,122,000,000*
FY'91 Appropriation: \$ 2,391,200,000
FY'91 Funds Available: \$ 2,581,200,000
FY'92 House 1: \$ 2,624,300,000**

*These account levels reflect retained revenue plus actual or expected expenses. These include a \$150M FY'91 supplemental budget expected to pass this year. In FY'89, Medicaid was divided into eleven different accounts. In FY'90, there were separate accounts for families, elderly and the disabled, although DPW treated them as one account in practice. For FY'91 and FY'92, there is one general Medicaid account.

**Does not include retained revenue.

The Medical Assistance Program (Medicaid) is a state administered, state and federally-funded medical program for financially and medically eligible families and individuals. Massachusetts is reimbursed by the federal government for 50 percent of its Medicaid expenditures. Payments are forwarded directly to over 32,000 health care providers. Each month an average of 541,000 people are served by Medicaid.

While this is the largest single item in the state budget, less than one third of the Medicaid caseload are elderly, disabled or low-income families who do not receive any form of cash assistance. The majority of these "medically needy spend down cases" are elderly and disabled patients, who are in nursing homes or chronic disease and rehabilitation hospitals. Although the elderly and disabled make up only one third of the Medicaid caseload, they account for over 75 percent of expenditures.

Children and families make up 66 percent of the caseload, but account for less than 28 percent of Medicaid expenditures, mainly because they routinely use less costly outpatient care and short term acute hospital inpatient services. In FY'90, the annual average cost for medical care for a family on AFDC was \$4,416, or about \$1,472 per

person; the average annual cost for a disabled person was \$7,772. Nursing home costs for the elderly and others can be more than \$25,000 per year. The Medicaid caseload has expanded to cover pregnant women and children under one year of age with family incomes up to 185 percent of the federal poverty level.

Beginning in FY'88, the Kaileigh Mulligan program enabled families with severely disabled children to care for their children at home and still receive Medicaid. At least 220 children have enrolled in this program since November, 1987. Allowing these children to remain at home saves state money, since institutional care is so expensive. In FY'89, the savings per child receiving an acute level of hospital care is \$364,250; savings per child receiving a chronic hospital level of care is \$142,300; and the savings per child receiving a pediatric nursing home level of care is \$37,200.

Because of recent federal eligibility changes that went into effect on April 1, 1990, the number of children enrolled in Medicaid has increased. Children age six or older but under age 19 who were born after September 30, 1983 and who meet the basic and asset requirements for Medicaid will have their financial eligibility determined using the Federal poverty-level income standards. Medicaid currently covers children between one and five years of age with family incomes up to 133.3 percent of poverty. DPW estimates that at least 5,200 new Massachusetts children will be eligible for Medicaid under the new guidelines. For instance, a family of three with an income of \$14,816 will be eligible.

The overall Medicaid caseload grew by 6.9 percent from 1989 to 1990. The highest increases were among families and individuals who receive no cash assistance because their incomes were too high, but high medical expenses allowed them to spend down to the Medicaid income levels. Medicaid-only families grew by 25.4 percent. Medicaid-only individuals, many of whom are people with AIDS, grew 16 percent.

A supplemental budget of \$150M has been filed and is expected to pass. For FY'91, Medicaid's final budget assumes a total of \$279M in Medicaid savings. One of the reductions made during the course of FY'91 eliminated \$68.2M which had been appropriated (in 4402-5200) for prior year Medicaid nursing home and hospital retrospective payment settlements.

Most FY'91 savings are targeted at rate reductions, seeking payments from Medicare or private insurance companies, or limiting benefits — primarily affecting the elderly and disabled. For instance, the personal needs allowance was reduced from \$72 to \$60 per month for individuals in nursing homes. There are approximately 250 children in pediatric nursing homes. Since Supplemental Security Income (SSI)

benefits are applied to the cost of nursing home care, the personal needs allowance is all nursing home residents have of their own to pay for clothing, shoes, toiletries, books and magazines.

The Weld/Cellucci fiscal recovery plan called for reducing the personal needs allowance to \$30 per month, but the legislature rejected this proposal when it passed the FY'91 supplemental budget. The legislature did approve co-payments for certain Medicaid services: 50 cents for drugs and \$3 for non-emergency use of an emergency room. A Rand study has indicated that co-payments like these do not save money, because they deter very poor people from getting preventive care. When the condition worsens, the costs are greater.

The FY'92 House 1 budget continues the savings initiated in FY'91 and introduces others, some of which have already been rejected by the legislature. Without the savings, the FY'92 Medicaid budget would be at least \$2.905 billion, with the need for an additional \$115M needed to pay for settlements from prior years.

Benefits and eligibility reductions included in House 1 which affect children are:

- the proposed reduction of the personal needs allowance to \$30 per month, which will affect the approximately 250 children in pediatric nursing homes,
- managed care, and
- the creation of differential services packages for elderly, disabled and families, which could limit the types of medical services families receive.

Managed Care, as proposed by DPW, will require each family to be assigned to a primary care provider. The family could choose from a variety of providers, but having chosen, the provider would make the decisions about referrals to specialists and hospitalization. For many AFDC families who have little access to medical care at all, having a primary care provider would be positive, as it could increase access to services. There are some concerns that the "gatekeeper" function of the primary care provider could lead to clients receiving fewer services. All managed care programs, including HMOs, share incentives to reduce utilization.

**General
Relief
Health Plan
4406-5000**

FY'89 Appropriation: \$ 17,583,000
FY'90 Expenditures: \$ 32,800,000
FY'91 Appropriation: \$ 35,000,000
FY'91 Funds Available: \$ 42,907,000*
FY'92 House 1: \$ 51,546,565

* Expenses for FY'91 are projected at \$43M.

In FY'85, medical care for General Relief recipients was extended so that a comprehensive range of inpatient and outpatient care was available. The General Relief Health Plan pays for ambulatory care, certain physician services, outpatient methadone treatment, and specialized health care programs for the homeless. Hospital care is covered through the uncompensated care pool under an agreement with acute care hospitals. Mental health services are provided through an agreement with the Department of Mental Health, for the most part without cost to this account.

Health teams provide care at shelters. Since 1986, staff at ten program sites around the state arrange for health care services, and enroll homeless people in the General Relief program. A Robert Wood Johnson Foundation grant has also created a 20-bed respite unit at the Lemuel Shattuck Hospital, at which homeless people can recuperate after discharge from an acute hospital.

While most General Relief health recipients are individuals, there are 2,500 families with children who receive health care under this plan. Some are children of undocumented immigrants; some are teen parents.

As part of the universal health care law, the state was expected to start picking up the hospital costs of General Relief clients. Those costs are currently reimbursed by the free care pool. The House 1 recommendation covers the cost of the increased caseload and the cost of inflation (\$8M over this year's expenses) for out-patient services. General Relief hospitalization remains in the free care pool.

The House 1 line item language for GR Health is not specific about the type of health covered. The FY'91 budget language listed a full range of services apart from hospital care.

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**EXECUTIVE OFFICE
OF
HEALTH AND
HUMAN SERVICES**

**Medical
Services
Administration
4000-1000**

FY'89 Appropriation: \$ 938,000
FY'90 Expenditures: \$ 1,790,729
FY'91 Appropriation: \$ 1,649,685
FY'91 Funds Available: \$ 1,446,667
FY'92 House 1: \$ 841,937

House 1 eliminates the Department of Medical Security (DMS) as a separate agency and moves this and other DMS accounts to the Executive Office of Health and Human Services (EOHHS). DMS was created to implement the state's new universal health care law, the Health Security Act, Chapter 23 of the Acts of 1988.

Chapter 23 was designed to establish gradually health insurance for approximately 500,000 uninsured Massachusetts residents. Over 80 percent of the uninsured are either working at jobs or are dependents of those workers. The rest are college students, the unemployed and disabled, or retired workers. An estimated one fifth of the uninsured are children.

When Chapter 23 was first passed, it was expected that the bill would be fully implemented by 1992. Unfortunately, key sections of the bill are not supported by the current Administration. By 1992, employers were to either provide health insurance to their workers or contribute a maximum of \$1,680 per worker per year to a fund which would finance managed health care insurance through the state. The legislature approved a delay to 1994. Weld vetoed this section of the FY'91 supplemental budget and filed legislation to eliminate the "employer mandate" entirely.

What remains of the account (previously 4600-1000) funds staff to oversee the phase-in initiatives, community health centers, the unemployed program, the free care pool, the student health insurance program, the Labor Shortage Fund, and work with small business to improve the health insurance market.

In FY'89, approximately 50,000 college were uninsured. Now 286,323 Massachusetts college students — all those who are full or three quarters time in a degree granting institution — must be covered by an institution sponsored student health insurance plan or demonstrate that they have comparable coverage.

Beginning in July 1990, unemployed workers, who are receiving unemployment compensation and meet the income guidelines, have been eligible for health insurance through the Health Security Plan. Since July, over 26,000 individuals - Unemployment Insurance claimants and their families — have received temporary medical coverage through this program. Currently, over 14,000 individuals are enrolled.

The funds for this program (a maximum of \$16.80 per worker) are collected from firms with more than six employees. Contributions to the unemployment health insurance program were effective as of January 1990, with initial payments by employers due by April 30, 1990. As of February over \$37M had been collected, above the \$34M collections projected for 1991.

**State Supplement
to the Hospital
Uncompensated
Care Pool
4000-1050**

FY'89 Appropriation: \$ 858,460
FY'90 Expenditures: \$ 1,606,759
FY'91 Appropriation: \$ 4,800,000
FY'91 Funds Available: \$ 757,391
FY'92 House 1: \$ 1,040,391

The Uncompensated Care Pool, otherwise known as the free care/bad debt pool, is a mechanism to distribute equitably across hospitals the financial burden for free care for uninsured low income individuals and bad debt for others who do not pay their hospital bills. It is financed through surcharges on the hospital rates paid by insurers including Blue Cross/Blue Shield, commercial insurance companies, and Health Maintenance Organizations (HMOs).

Neither Medicare nor Medicaid pays into the pool. Under Chapter 23, the size of the payment the private payors must make is capped for each of the years from FY'88 to FY'91. If the actual uncompensated care costs exceed the cap, the state — as part of the new Health Security Act — is supposed to pay to difference. In 1988, for instance, the private insurers owed a maximum of \$325M for the pool. In 1990, they are responsible for \$312M, plus a newly enacted \$8M for the Vaccine Trust Fund. The arrangement to set up the cap expires in FY'91, when it is set at \$287M.

Since the pool covers both free care and bad debt, there initially was little incentive for hospitals to track down bad debt knowing that the uncompensated care pool would cover it. In practice, hospitals varied tremendously in the quality of their bad debt collection efforts. To remedy this situation, beginning in FY'90, DMS has given each

hospital a target level of bad debt, and will not pay for bad debt above the target. DMS estimates the free care pool will save \$40M annually as a consequence. Other management efforts are expected to save another \$25M to \$35M annually.

With the state's financial constraints in recent years, the state has appropriated, but then withheld, its contribution to the pool. For FY'89 the private sector cap was increased from \$319M to \$331M. The FY'91 supplemental budget, recently passed by the legislature, eliminated all state liability for the uncompensated care pool.

Advocates are concerned that continued failure to pay the state's share will cause hospitals to dump their free care patients at a few facilities like Boston City Hospital.

The FY'91 supplemental budget also requires the free care pool to continue funding GR inpatient and outpatient hospital services in addition to funding the Vaccine Trust Fund. In addition, the supplemental budget allows independently licensed health centers to draw from the pool for uncompensated care.

House 1 increases the cap on the amount the private sector contributes to the pool to \$396M (Outside Section 59) for FY'91 and FY'92, including \$8M for the Vaccine Trust Fund in FY'91 and \$10.7M in FY'92.

**Uncompensated
Care
Community
Health
Centers
4000-1060**

FY'89 Appropriation: \$ 6,516,937
FY'90 Expenditures: \$ 3,000,000
FY'91 Appropriation: \$ 2,400,000
FY'91 Funds Available: \$ 4,016,937*
FY'92 House 1: \$ 0

*This includes funds carried over from prior years.

Community health centers frequently provide free care to uninsured, low income patients. While a complex agreement resulted in financing an uncompensated care pool for hospitals, independently licensed community health centers have provided care without much help from the private sector or the state. In FY'91, DMS distributed about \$2.4M to these health centers to cover some of the costs of free care. Community health centers estimate that they provided about \$7M in free care last year.

To encourage the uninsured to go to community health centers and prevent costly hospitalizations, DMS has established the Center Care program. Its funding pays a set rate for enrolling low income uninsured individuals for care at the community health centers. There are now 7,000 participating individuals, almost one third of whom are children. Two thirds of the adults are employed. A total of 24 health centers are involved.

The FY'91 supplemental budget assigned the free care pool responsibility for funding Center Care. House 1 continues the practice.

**Health
Insurance
Phase-Ins
4000-1300**

FY'89 Appropriation: \$ 4,000,000
FY'90 Expenditures: \$ 6,000,000
FY'91 Appropriation: \$ 2,880,000
FY'91 Funds Available: \$ 1,808,184
FY'92 House 1: \$ 0

This account provides funding for pilot programs to create health insurance packages for the uninsured. In FY'90, five contracts were signed to provide health insurance primarily to businesses with fewer than 25 employees and that had not insured their workers in the past year. These contracts involve health maintenance organizations and one preferred provider organization (PPO), at a cost from ten to 25 percent less than what these employers would pay on the open market.

About 1,100 workers and their families have been insured under phase-in initiatives and will receive coverage for up to two years.

An \$11M trust fund (made up of appropriations carried over from previous years along with the FY'91 appropriation) supports the plans through subsidized premiums, risk-sharing and administrative and development costs. House 1 caps enrollment; no new workers will get into these programs. No state funding is allocated for FY'92; \$8M from the trust fund will go into the General Fund. The remaining \$3M will fund those enrolled until January, 1992.

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**DEPARTMENT OF
LABOR AND
INDUSTRIES**

**Retained
Revenue
Lead Paint
Removal
9410-0101**

FY'89 Appropriation: \$ 29,506
FY'90 Expenditures: \$ 102,196
FY'91 Appropriation: \$ 60,000
FY'91 Funds Available: \$ 60,000
FY'92 House 1: \$0*

*House 1 merges this account into the Department's main appropriation (9410-0001), with \$67,000 of the appropriation intended for lead paint removal inspection.

Under the lead poisoning prevention law, DLI is responsible for inspecting worksites to protect workers who remove lead paint. This account was established to generate revenue through collection of fees for certification of contractors and supervisors who remove lead. Fee collection began in January, 1989. To date in FY'91 (April), the Department has collected \$151,820. The Department expects to spend \$60,000, the amount to which the retained revenue ceiling was lowered during FY'91.

CHILDREN'S MENTAL HEALTH

Federal law requires the State's Department of Mental Health (DMH) to develop a "comprehensive planning process" for delivering mental health services to children and adults in Massachusetts. Using a population based formula, DMH is required to plan for, refine, develop and monitor the types of services people with serious mental illness in Massachusetts need. In an October, 1989, report submitted to the federal government, DMH describes a model for the child/adolescent system which is comprehensive, culturally responsive, and includes a continuum of mental health services for individuals under age 19 who are seriously emotionally disturbed or seriously mentally ill. The system will "provide services in a child's community whenever possible" and emphasize family preservation and participation in a child's treatment.

Executive Order 244, which was instituted in 1987, offered an opportunity for DMH to begin to develop the type of system it outlines in its "Comprehensive Mental Health Services Plan". Resulting from intense pressure from Senator Jack Backman's study into mental health services, that order prohibits placement on adult state hospital wards of youth under age 19. DMH estimates that there are 71,081 children and adolescents under the age of 19 — five percent of the state's 0 to 19 year old population — who will need mental health services at some time in their lives. Half these children and adolescents will need publicly funded services. While sufficient inpatient and residential beds exist statewide, no community has the home-based and school-based mental health services it needs to help the seriously emotionally disturbed children who live within its borders.

DMH calls it a priority, one that is strongly supported by parents and mental health advocates, to develop home- or school-based programs that reflect the cultural heritage of the communities they serve. Unfortunately, community-based programs, never fully developed in the first place, were the first to be cut in the relentless budget reductions which began in FY'89.

Family Support Services

The Department had hoped to use revenue generated by its certified child and adolescent inpatient units to develop new community-based services without increasing the Department of Public Welfare (DPW) Medicaid budget. The first priority was to create intensive home-based services designed to prevent hospitalization of children and adolescents. Budget cuts in FY'91 made this impossible.

Instead of creating new programs, retained revenue was used to prevent even further cuts to existing services. Including the retained revenue account, \$5.1M was cut from child/adolescent mental health services this fiscal year, of which nearly \$3M had been targeted for new home and community based initiatives. Existing crisis intervention, day treatment, home-based treatment and community residential programs also were cut by over \$2.1M. The February cuts to partnership clinics resulted in the loss of over 100 clinic staff. Because almost one third of clinic resources touch children and families, the cuts will result in the loss of services to over roughly 1,500 children and families this year alone.

Advocates note that cuts to community based services have particularly eroded DMH's ability to serve "emotionally disturbed" children, and not just the seriously mentally ill. State law specifies that DMH serve emotionally disturbed children as well as those with more serious mental health problems. Programs to serve this population have all but disappeared as reduced resources have been targeted at only the most seriously mentally ill children and adults.

Many children and adolescents who exhibit serious emotional problems are known to other agencies, but do not come to the attention of DMH until there is a psychiatric emergency. Earlier intervention would help lessen or prevent more serious problems in the future.

The Effect of the Governor's FY'92 Budget

House 1 maintains FY'90 and FY'91 cuts and makes additional cuts in the DMH Child and Adolescent Services account (5047-0000), Adult Mental Health (5046-0000) and Community Mental Health Centers (5057-0100). House 1 increases to \$8M the retained revenue account for child and adolescent mental health services, but makes a corresponding cut to the state appropriation. If retained revenue must be used to support current services, the prospect of reducing reliance on intensive psychiatric hospitals remains dim. Since adolescents 19 through 21 years of age are no longer served by the child/adolescent division and there are no "Turning 22" funds at DMH, cuts in adult services will seriously affect young adults who will have to compete with seriously mentally ill adults for available resources. There are already long waiting lists for adult mental health services.

The following accounts fund mental health services for children and young adults.

DEPARTMENT OF MENTAL HEALTH

Child/ Adolescent Mental Health Services 5047-0000	FY'89 Appropriation: \$ 47,924,149
	FY'90 Expenditures: \$ 46,485,042
	FY'91 Appropriation: \$ 44,856,446
	FY'91 Funds Available: \$ 42,165,774*
	FY'92 House 1: \$ 39,100,754*

*In FY'91 and FY'92, this account includes \$400,000 for services at Gaebler.

This account funds inpatient and community-based mental health services for children and youth with the exception of the Gaebler Children's Center in Waltham. The appropriation for child/adolescent mental health is augmented by retained revenue of \$5.5M in FY'91 and \$8M in FY'92 (5047-0100).

In FY'90 over \$3.4M was cut from the child/adolescent mental health budget. Because DMH cannot place children on adult wards at state mental health hospitals, less intensive community-based services

which had never been fully developed — such as emergency, aftercare and outpatient — absorbed most of the cuts. DMH estimates that 1,100 children and their families lost access to these community-based services.

In FY'91, \$5.1M was cut from this account. As a result, existing crisis intervention, day treatment, home-based treatment and community residential programs were cut by over \$2.1M last fall. In addition, February cuts to partnership clinics will result in the loss of ten clinic staff funded by this account, and the elimination of services to approximately 400 children and adolescents this year alone.

House 1 increases the retained revenue ceiling to \$8M but reduces the base, for a total reduction of \$700,000 to current spending levels.

**Adult
Mental
Health
Services
5046-0000**

FY'89 Appropriation: \$ 141,470,791
FY'90 Expenditures: \$ 150,010,724
FY'91 Appropriation: \$ 150,246,912
FY'91 Funds Available: \$ 143,717,436
FY'92 House 1: \$ 130,467,719

This account funds community-based residential, day and family support programs except those services offered by state-funded community mental health centers. With the exception of some crisis intervention programs which accept adolescents, these programs serve adults only. The planned expansion of community residential services under Governor Dukakis' 1985 special message for the mentally ill was to take place through this account. FY'90 and subsequent cuts have stopped this expansion with only 1000 of the planned 3000 new beds in place.

Because DMH's Child/Adolescent Services Program does not cover individuals from 19 to 22 years of age, young adults have to compete with older adults for services funded through this account. The legislature approved funding of \$159M for adult mental health services in FY'90, but cuts reduced the account by \$8.5M. DMH estimates that at least 9,000 persons with serious mental illness lost outpatient and aftercare services as a result of these cuts to the community system.

FY'91 cuts are even more serious. A \$6M conference committee cut eliminated the possibility of opening 250 new beds in community housing. Last fall, day services, supported employment, medical/psychiatric services, and supports to clients living independently or with their families were cut by \$5M. In February, over 100 state staff

positions were eliminated in partnership clinics, where state employees work in conjunction with private non-profit agencies. The clinics are an important component of the already reduced system of outpatient care, including support for recently discharged state hospital patients needing aftercare and psychiatric day treatment. The February cut represents a 13 percent reduction in the number of psychologists, social workers and other staff who provide direct care in the community and also generate third party revenue for the non-profit agencies they work with. About one third of clinic resources affect children or families.

In FY'91 this account is augmented by \$1.7M in retained revenue. DMH has substantially increased federal Medicaid reimbursement for case management and rehabilitation services. DMH expects to generate \$10M in Medicaid reimbursement this year, but the majority of this money will go to the General Fund.

In FY'92, House 1 proposes to increase the revenue cap to \$13.5M. DMH will be able to retain nearly all of the revenue it generates. However, House 1 reduces the appropriation by an equal amount. The combined FY'92 appropriation and retained revenue spending level is \$144M, \$6.3M below the current spending level in this and associated retained revenue accounts. FY'91 programs cuts are continued. The account will support 154 fewer full time staff than the expected end of FY'91 total of 885.

Diminishing community resources will make it extremely difficult to implement a major House 1 initiative to consolidate state mental hospitals, closing three of the seven in FY'92. The administration plans to move some 500 mental patients into community programs, which currently do not exist. A new reserve account (4099-0500) has been established at EOHHS to fund community based housing and inpatient costs for this initiative. The administration plans to transfer about 300 other patients to public health or mental retardation facilities which are considered more suitable placements. Funding is transferred from the state hospital account (5095-0000) to the EOHHS reserve: \$14.5M in three-month funding.

The administration also plans to "downsize" Metropolitan State Hospital from 400 patients to 220. The adult mental health services account includes \$2.6M in funds transferred from the state hospital account to fund community residences for these former residents.

Advocates have serious concerns about the administration's timetable for this new "de-institutionalization" plan. The state has never been able to develop community housing for more than 250 patients in a single year. The Alliance for the Mentally Ill is distrustful that such major restructuring could take place without severely damaging patients and the mental health system as a whole.

**Community
Mental
Health
Centers
5051-0100**

FY'89 Appropriation: \$ 79,200,000
FY'90 Expenditures: \$ 86,511,535
FY'91 Appropriation: \$ 85,335,434
FY'91 Funds Available: \$ 83,628,644
FY'92 House 1: \$ 80,379,588

This account funds the following community mental health centers: the Harry C. Solomon Mental Health Center in Lowell, Cambridge/Somerville Mental Health Center, Brockton Multi-Service Center, Corrigan Mental Health Center in Fall River, Pocasset Mental Health Center on Cape Cod, the Quincy Mental Health Center, and the four centers in Boston — Massachusetts Mental Health Center, Solomon Carter Fuller Mental Health Center, Erich Lindemann Mental Health Center, and Bay Cove Mental Health Center. Community mental health centers (CMHCs) offer inpatient facilities and a full range of community mental health services: residential programs, aftercare and outpatient therapy. In the Metro Boston region, all mental health care has been provided through CMHCs since Boston State Hospital closed in the early 1980s.

In FY'90, CMHCs had to absorb a \$2M cut on top of a \$4M deficiency from previous years. The resulting reduction of services provided through CMHCs paralleled those in the rest of the mental health system: drastic cutbacks in outpatient and aftercare services. These were particularly severe in Metro Boston, where all services are provided by CMHCs, and where cuts in the adult mental health account (5046-0000) had an effect as well. Services in the Boston area were cut by nearly \$4.6M in FY'90.

The FY'91 appropriation for CMHCs was already at least \$3.5M below the level needed to maintain current services. Last fall, an additional \$1.5M was cut from the budget. In addition, the February cuts which eliminated over 100 partnership clinic staff positions, reduced this account by 26 clinic staff.

The FY'92 House 1 recommendation is \$4.4M below current spending levels. This represents annualization of partnership clinic cuts and a proposed \$3M savings from the administration's plan to privatize community mental health center inpatient units. The administration hopes

to negotiate agreements with private hospitals which would allow CMHC inpatient psychiatric units to operate under a private hospital's license. As extensions of general hospital psychiatric wards, rather than freestanding "institutions" for mental illness, the units would be eligible for Medicaid funding for eligible patients. Although operating at general hospital standards is more expensive (a 20 percent increase), the federal government would pay for half of the costs through Medicaid reimbursements.

This initiative will require extensive negotiations with hospitals and the anticipated \$3M savings may be overly optimistic.

CHILDREN WITH DISABILITIES

The Vision

The disabilities movement believes that every individual with a disability has a right to a life which is comparable to that of an individual who is not disabled. They have a right to have friends, a home, education and — as they grow older — a job.

The Reality

The state's record in creating such an environment for children with disabilities is mixed. Massachusetts was the first state to pass a special education law requiring education that would allow special needs children to develop to their maximum potential in the least restrictive school setting. By doing so, Massachusetts set the standard for federal legislation. Yet, in response to the current fiscal crisis, various bills and budget documents have been filed to restrict or reduce special education services.

Massachusetts also passed the nation's first universal health care law and set health care for pregnant women, young children, and adults and children with disabilities as its first priority. The CommonHealth program allows adults and children with disabilities to purchase health insurance on a sliding fee scale basis, ranging from \$3 to \$120 a month. Although 1,105 children and 1,531 adults have enrolled to date, there is no funding to expand enrollment in FY'92. Last year, the program nearly ran out of funds.

Of an estimated 18,000 Massachusetts children who are eligible for early intervention programs, about 7,110 currently receive these services. Another 1,000 are on waiting lists for this important prevention program. Third party billing is being implemented — due to a new law passed this year — and more children are being covered by Medicaid. Early intervention programs use these funds to supplement the money they receive through contracts from the Department of Public Health (DPH). It was hoped that this new law would expand early intervention services to children who are developing slowly. Because of FY'91 budget cuts, however, these funds only enable the programs to serve the same number of children as last year.

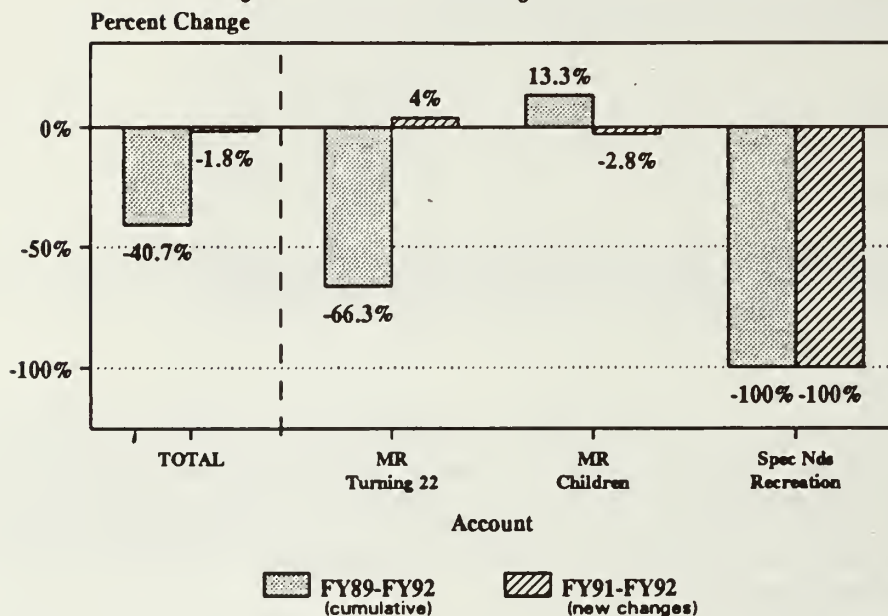
Family support services, respite care, and access are becoming household words. State agencies had begun to focus on the kinds of help families need to prevent out-of-home placements. However, state funding for community-based prevention services has been cut drastically. Agencies have moved toward serving only the most critical cases; successful programs have been reduced or eliminated; and waiting lists have grown significantly.

The following graph illustrates funding cuts from FY'89 to FY'92 to programs that serve children with disabilities. The graph only shows children's accounts or those for which funding for children could be separated. It is not possible to break out children's funding at the Massachusetts Commission for the Deaf and Hard of Hearing, the Massachusetts Commission for the Blind, or the Massachusetts Rehabilitation Commission.

Disabilities: Changes in Funding

FY89 - FY92

Funding in accounts shown changed from \$9.2 M to \$5.5 M



Note: Although MR Turning 22 appears as an increase, in reality it is not. This account (5911-0006) generally funds new Turning 22 clients, with funding for those turning 22 the previous year found in the MR Community Services account (5948-0000). House 1 changes this practice. Those clients who turn 22 during FY'91 will continue to be funded out of the Turning-22 MR account (5911-0006), but without sufficient funds to annualize the cost of their programs. There are no new funds for those who turn 22 in FY'92

The Department of Mental Retardation

In 1987, a separate Department of Mental Retardation (DMR) was created from the Department of Mental Health to provide a full range of services to the Commonwealth's estimated 20,000 mentally retarded children. However, DMR has never been allocated the resources it needs to create a community-based service system for children; instead, it devotes most of its budget to institutionalized individuals. In FY'89 and in FY'90, DMR was able to provide services for fewer than 600 children under its children's services account. Since its creation, less than three percent of the total DMR budget is designated for children.

In Its September, 1987 report to the Joint Special Commission established to oversee the separation of DMH and DMR into two distinct agencies, DMR described its plan to develop a comprehensive, community based system of care for children with mental retardation. The system would include children's case managers to work with families of children with mental retardation, family support programs including respite and after school care, crisis teams, com-

munity based staffed apartments, and specialized home care. It would have cost about \$16M in FY'91 for this comprehensive program. Instead, the budget for children's services at DMR is less than a quarter of that amount. FY'91 budget cuts have further reduced meager family support services and affected the number of staff assigned to work with families and children.

Turning 22

Through the Bureau of Transitional Planning (BTP), the Executive Office of Health and Human Services (EOHHS) assures that individuals previously served through Chapter 766 are assigned to a human service agency that will plan for ongoing services once the child turns 22. Working with BTP, the Departments of Mental Retardation and Mental Health, the Massachusetts Rehabilitation Commission, Commission for the Deaf and Hard of Hearing and Commission for the Blind fund these "Turning 22 Services" to the degree their budgets allow. Unfortunately, budget limitations mean that only a small percent of those eligible for Turning 22 services actually receive the type and level of service required.

Disability advocates consider funding for Turning 22 Programs a priority. Without continuity, young people are in danger of losing the skills they have gained in special education programs. If parents are no longer able to care for them and no other programs are available, some young people will be institutionalized or become homeless. In the past, services for young people turning 22 were expanded annually. Since FY'89, most Turning 22 funds have been frozen or significantly cut. Long waiting lists, especially for mental retardation programs, have been growing even longer. The BTP reports the combined waiting lists for DMR, MRC, MCB, and MCDHH Turning 22 services at 1,714 as of October, 1990. DMR estimates that its waiting list alone will grow to over 1,500 by the end of June, 1991.

Federal Initiatives

Two important recent federal developments affect children with disabilities. The **Americans with Disabilities Act** gives civil rights protections to individuals with disabilities (including children) similar to the protections provided to individuals on the basis of race, sex, national origin, and religion. It guarantees equal opportunity for individuals with disabilities in employment, public accommodation, transportation, state and local government services, and telecommunications. Although the most far reaching ramifications will be in transportation and telecommunications, a wide variety of services are affected, including child care. Timetables for implementing the act vary, with the earliest deadline set for August, 1990. Although federal regulations have not yet been fully developed, the Massachusetts Office on Disability (formerly the Massachusetts Office of Handicapped Affairs), the American Society for Law and Medicine, and others are organizing training on the new law.

In February, 1990, the U.S. Supreme Court ruled in Sullivan v. Zebley that the standards which children were required to meet to establish eligibility for the Supplemental Security Income (SSI) program were discriminatory, because they were more restrictive than the standards that adults had to meet. Prior disability standards listed impairments and required that a child applicant meet all the specified medical criteria. If the child's impairment met only some of the criteria, the child did not qualify for SSI. Adults in the same situation were allowed to go to a subsequent step and demonstrate that, although the impairments did not meet or equal the precise Social Security Administration listing, his or her disabilities prevented "substantial gainful activity", i.e. work. Based on Zebley, children will have the same opportunity. A new standard and regulations have been developed which:

- incorporate a sequential evaluation process
- are grounded on a child's ability to function age-appropriately
- incorporate a multi-disciplinary approach which is also based on function, not only diagnosis
- are less stringent for younger children since experts believe that the younger a child is, the greater the impact of an impairment on a child's ability to develop.

It is expected that more Massachusetts children will be eligible for SSI as a result. Since CommonHealth, the Massachusetts health insurance program for children and adults with disabilities, uses the federal standard, more children should be covered by CommonHealth as well. Unfortunately, state supported services to children with disabilities are diminishing at the same time.

A variety of state agencies serve children who have disabilities, autism, mental retardation or serious medical needs. Children with special needs are eligible for special education services from local schools under Chapter 766, Massachusetts' Special Education Law. In addition, children may be eligible for services from one or more human service agencies, depending on their diagnosis and individual needs.

The following accounts fund services to children with disabilities:

DEPARTMENT OF MENTAL RETARDATION

Turning 22 - MR 5911-0006

FY'89 Appropriation: \$ 5,700,000
FY'90 Expenditures: \$ 3,300,000
FY'91 Appropriation: \$ 1,920,000
FY'91 Funds Available: \$ 1,846,656
FY'92 House 1: \$ 1,920,000

This is a reserve account which funds transition planning and new services for individuals with mental retardation who become ineligible for special education programs. Historically, these transition funds are moved with the clients into Mental Retardation Services (5948-0000), the account that funds services for adults with mental retardation.

Each year, roughly 450 young people with severe mental retardation reach their twenty-second birthday. Under the Turning 22 law, Chapter 688 of 1983, specialized service plans are devised for these young people to ease their transition into the adult service system for the disabled. However, the services dictated by those plans are "subject to appropriation" — provided only if state money is available to pay for them. Turning 22 clients are prioritized according to need — about 200 are judged to be "priority one," meaning that without help their life and safety are in jeopardy. In the best of years, DMR gets enough

expansion funding for residential placements to serve all the new priority one clients, most of whom are already living in residential schools. The approximately 250 other severely disabled young adults generally live at home, receiving few if any services from DMR, while they wait for housing and other programs.

After budget cuts, FY'91 funding of \$1.8 million for 9 months enabled DMR to provide services to approximately 110 Turning 22 clients.

For FY'92, House 1 provides only the 9 month cost of individuals served in FY'91, without the 3 month annualization. In addition, no funding is recommended for new individuals Turning 22 in FY'92.

**MR
Children's
Services
5947-0000**

FY'89 Appropriation: \$ 3,147,236
FY'90 Expenditures: \$ 3,920,243
FY'91 Appropriation: \$ 3,815,603
FY'91 Funds Available: \$ 3,669,847
FY'92 House 1: \$ 3,565,736

This account funds services to families whose children with mental retardation or autism are at risk of out-of-home placement. These services include intensive in-home support and behavioral management training; in and out-of-home respite care; emergency services; case management services; and access to generic community services. The account also funds a decreasing number of placements in private residential schools.

FY'91 budget cuts have resulted in a reduction of contracted personnel who provide respite care, such as companions for adolescents with mental retardation or autism, and help children with disabilities to access community services, such as day care and after school programs. Further, the FY'91-'92 cuts prevent the Department from entering into cost sharing agreements for private residential schools.

Federal funding in this account maintains a family support/respite program in the City of Lowell which serves more than 50 Cambodian families with developmentally disabled children. A second federal grant has been awarded to develop a family support/respite program for families with autistic children in Community Service Center-North.

During FY'92 the Department expects to focus its diminishing resources on those children even more conspicuously at risk of out-of-home placement. This will involve researching and implementing a universal guideline for measuring a child's risk for out-of-home placement; analyzing data developed from Individual Family Respite Plans

to insure that children most at risk of out-of-home placement are served; working collaboratively with the public schools and early intervention programs to identify as early as possible those children at risk of out-of-home placement and direct family support services to those families; working with the Departments of Education and Social Services to return children with mental retardation or autism living in private residential schools to less restrictive placements and redirect the saved resources to family support programs.

**Mental
Retardation
Community
Services
5948-0000**

FY'89 Appropriation: \$ 225,347,615

FY'90 Expenditures: \$ 249,495,620

FY'91 Appropriation: \$ 243,104,964

FY'91 Funds Available: \$ 243,104,964

FY'92 House 1: \$ 236,323,946

This account funds community services for individuals with mental retardation, including residential, day, respite, and family support services. About \$12M (five percent) of the account pays for programs that specifically help children and their families. Transportation to programs is funded through a separate account.

In FY'91, the Department of Mental Retardation implemented budget cuts totaling \$22M. Of this amount, approximately \$12M was cut from three areas within community services. These cuts were in addition to an \$8M cut from the service system in FY'90.

The most significant cut — \$2M — was made to respite care services. This was implemented by cutting existing services by 17 percent. \$1.5M of expansion funding for respite care services included in the FY'91 budget was not implemented.

For many families, respite is the only service available to help care for a disabled family member at home. Respite care enables an individual to remain in the home and often prevents disintegration of the family unit. Approximately 10,000 families received respite services from DMR in FY'90. The FY'91 cuts affected 1,000 families across the Commonwealth. The majority of families will have their hours of service reduced, but some families will lose services altogether.

Another \$4M in budget cuts were implemented by reductions in support services and transportation. In addition, sweeping operations changes were made by consolidating administrative functions and reducing offices across the state. All regional offices and local service centers were eliminated — replaced by 5 Community Service Centers for administrative functions and 18 case management teams.

For FY'92, House 1 proposes a number of savings initiatives including: a \$12M (50 percent) reduction to the transportation account for savings generated from reconfiguring the entire system; and a \$10.4M cut to the Community Services account representing savings anticipated from sliding fees, reorganizing residential services, and a 10 percent cut in non-residential services.

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**MASSACHUSETTS
COMMISSION FOR
THE BLIND**

**Medicaid
for the
Blind
4110-1020**

FY'89 Appropriation: \$ 67,051,241 *
FY'90 Expenditures: \$ 443,500
FY'91 Appropriation: \$ 383,286
FY'91 Funds Available: \$ 368,644
FY'92 House 1: \$ 352,407

* Beginning in FY'90, funds for medical services for blind individuals were transferred to DPW's Medicaid account (4402-5000).

This account now only funds administrative staff at MCB who determine eligibility of blind applicants for Medicaid. There are between 6,500 and 6,700 blind persons in the state who are eligible for free medical care under Medicaid; 45 percent of the caseload is elderly.

House 1 represents maintenance of this account at its reduced FY'91 level.

**Social
Services
for the Blind
4110-2040**

FY'89 Appropriation: \$ 5,265,793
FY'90 Expenditures: \$ 4,983,795
FY'91 Appropriation: \$ 5,964,428
FY'91 Funds Available: \$ 5,158,569
FY'92 House 1: \$ 4,899,056

This account provides a range of services to legally blind individuals, including children under 14 years of age. These services include infant stimulation, respite care, after school programs and consultation to public schools.

The current social services caseload at MCB is 3,000, of which an estimated 700 involve children. There are currently only six social workers for these blind children, and increasing numbers are multiply handicapped. Individual caseloads exceed 100.

This account includes an MCB-initiated project to assist deaf-blind individuals who are turning 22 years of age and are no longer eligible for special education services under Chapter 766. This program coordinates and plans services, in addition to providing vocational and independent living services. The agency provided services for 70 of these multiply-handicapped people in FY'89, and another six in FY'90. An estimated 109 deaf-blind individuals in Massachusetts will turn 22 between 1990 and 1996.

Continuing budget shortfalls have had a serious effect on service delivery. There was an eight percent cut in social services in FY'90. In order not to drop clients completely, MCB chose to cut back on the level of service. For example, there was a 20 percent reduction in hours of homemaker services, causing 125 clients to lose two hours a month. In FY'91, there was a ten percent cut in respite hours.

House 1 is \$1.3M short of the funds MCB would need to maintain FY'91 levels of service. The proposed budget assumes the agency can annualize one-time cuts made in FY'91 in independent living, Turning 22, and social services. At the same time, MCB needs an additional \$750,000 to \$800,000 to serve five youth who will turn 22 in FY'92 and to annualize costs for three youth who turned 22 during FY'91.

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**MASSACHUSETTS
REHABILITATION
COMMISSION**

**Social
Services
for the
Disabled
4120-0012**

FY'89 Appropriation: \$ 17,041,962
FY'90 Expenditures: \$ 16,334,037
FY'91 Appropriation: \$ 15,584,604
FY'91 Funds Available: \$ 13,950,672
FY'92 House 1: \$ 13,539,906

This account, which funds a number of different programs, was cut 5.5 percent in FY'90. As a result, the agency reduced or eliminated services for more than 2,600 people.

FY'91 cuts reduced services even more, resulting in growing waiting lists: Supported Work for the Mentally Retarded (200 by the end of FY'91); Supported Work for the Physically Disabled (15 by end of FY'91); Extended Sheltered Employment (600); Independent Living (Turning 22 services; 400, with another five waiting for Turning 22

programs); Homemaker/Chore Services (all Priority One clients have lost at least 20 percent of their hours of service, other priority levels receive no services; waiting list 150); Supported Work for the Mentally Ill (400); Abuse Protection and Investigation (30); and the Housing Pilot Program for Severely Disabled (30).

House 1 annualizes \$1.6M in cuts made this year, reducing the account by nearly \$3M from FY'90.

In all, agency waiting lists are expected to total 4,085 by the end of FY'91.

**Statewide
Head
Injury
Program
4120-0071**

FY'89 Appropriation: \$ 8,044,990
FY'90 Expenditures: \$ 6,056,677
FY'91 Appropriation: \$ 6,816,000
FY'91 Funds Available: \$ 5,830,629
FY'92 House 1: \$ 6,468,839

The Statewide Head Injury Program (SHIP) was established in FY'86 to help people who survive traumatic head injuries and have serious handicapping conditions. According to a 1987 study, **The Status of People with Brain Injuries in Massachusetts**, there are 46,000 people each year who sustain brain injuries due to auto accidents, gunshot wounds or other nontraumatic incidents such as strokes. Nearly half of these victims are children and young adults under 21 year of age. Almost 8,000 of the 46,000 individuals have traumatic head injuries, but do not qualify for aid provided to the developmentally disabled. Currently, only about 150 head injured clients receive case management and direct services such as day programs and supervised housing through SHIP. Only one is under the age of 22; two turned 22 this year.

Currently, there are five case managers, each with a caseload between 35 and 40; staffing has been frozen at this level since FY'89. In addition to their ongoing caseload, SHIP staff provide technical assistance to families and schools, information and referral services, and short term intervention through case management in crisis situations. FY'90 and '91 cuts have prevented MRC from hiring the six additional staff allocated in the FY'89 budget and from starting up a planned day program for 20 Greater Boston people.

The waiting list for services provided by SHIP is at 1,400 and is expected to grow to 1,500 by the end of FY'91.

After many years of planning, a Neurobehavioral Unit opened last year at Middlesex County Hospital for persons with head injuries who require intensive behavior management. At present, there are 13 people in the unit, and another 7 to 10 on a waiting list. The program expects to expand to serve 14 people by the close of FY'91: four are presently funded through SHIP, and ten through Medicaid or private insurance.

House 1 annualizes the cuts made last fall to the Statewide Head Injury Program. These cuts stripped SHIP of any ability to respond to emergencies or to any head-injured youth turning 22, and eliminated transportation to day programs for over 25 individuals with traumatic head injury. At House 1 funding levels, the SHIP waiting list is expected to grow to over 1,700 by June, 1992. Most have no other services.

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**MASSACHUSETTS
COMMISSION
FOR THE
DEAF AND HARD
OF HEARING
4125-0100**

FY'89 Appropriation: \$ 3,821,273
FY'90 Expenditures: \$ 3,415,435
FY'91 Appropriation: \$ 3,028,878
FY'91 Funds Available: \$ 2,874,878
FY'92 House 1: \$ 2,652,538

MCDHH was created in FY'87 to coordinate services for the 30,000 to 40,000 deaf and the 264,000 to 304,000 hearing-impaired individuals in the Commonwealth. MCDHH helps various state and local agencies become communication accessible to the deaf, provides information and referral services, case management, and supplies interpreters. Demand for referrals to interpreter services alone has increased significantly: in FY'85, there were 4,000 requests for referrals for interpreters; in FY'90, the agency was able to meet 12,141 of the 16,141 requests it received. In FY'91, it expects to receive more than 17,000 requests and be able to make referrals in about 75 percent of them.

About one third of MCDHH's cases involve children under 22, many of whom are newly diagnosed young children. MCDHH estimates that, to serve the clients who need the program, it needs twice as many case managers as it currently has. MCDHH provides Turning 22 services, and contracts for seven independent living programs statewide. Services for children also include needs assessment and consultation to early intervention and education programs.

MCDHH used to distribute telephone/telecommunications (TTY) devices for the deaf, but stopped in FY'89 because there were too few staff to run the program. It now offers short-term loans of the equipment through independent living centers. The agency supported successful legislation to use 411-information service fees to fund a

privately-operated message relay service which allows deaf persons with TTY equipment to communicate with hearing persons who do not have a TTY and vice versa. Previously, MCDHH contracted for the service with state funds.

When MCDHH was created, 60 staff were projected. The agency reached its peak in FY'89 at 54 staff. It now has 41 staff, a 24 percent reduction. The agency reduced interpreter services it provides by 26 percent this year and independent living contracts by 2 percent. The Governor's House 1 budget assumes that MCDHH will be able to maintain current services by collecting a new fee for interpreter referrals. House 1 assumes the agency can collect \$109,000 for this service; agency estimates are about half this amount. The agency had hoped to use interpreter fees for a 24-hour emergency interpreter service. In addition to fee collection, it will likely need to make further reductions in existing programs.

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**DEPARTMENT OF
PUBLIC WELFARE**

**Supplemental
Security
Income
4405-2000**

FY'89 Appropriation: \$ 130,917,050
FY'90 Expenditures: \$ 129,609,000
FY'91 Appropriation: \$ 131,292,726
FY'91 Funds Available: \$ 137,292,726 *
FY'92 House 1: \$ 144,891,726

* Includes a \$6M supplementary budget request.

The Supplemental Security Income (SSI) program is a federal program which provides cash assistance to income eligible elderly, disabled and blind individuals through the Social Security Administration. Massachusetts is one of 43 states that provide a monthly payment to supplement the standardized federal benefit levels. This account pays for the cost of those supplemental payments for the elderly and the disabled, some of whom are children (line item 4110-1010 pays for similar benefits for adult blind).

The amount of the monthly benefit depends on the living arrangements and income of the individual or family. The following table shows the maximum state supplement and federal benefit:

Recipient Category	State Supplement	Federal Benefit	SSI with Supplement
Elderly	\$128.82	\$407.00	\$535.82
Disabled	\$114.39	\$407.00	\$521.39
Blind	\$149.74	\$407.00	\$556.74

Even with cost of living allowances authorized under federal law, these benefits are merely at or near the poverty level. In December 1990, the SSI caseload was 114,983 individuals, a 3.8% increase over last year. Approximately 9,500 recipients are disabled children.

This account also funds a small "Emergency Needs" program for SSI recipients, most of which pays for burial expenses.

FY'91 funding was insufficient to cover the current SSI caseload and would have required a reduction of 235 cases per month. It is expected that a \$6M FY'91 supplemental budget will pass.

House 1 increases funding over FY'91 levels to support the increased caseload projected for FY'92. No benefit increases are proposed at the state level.

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**DEPARTMENT OF
EDUCATION**

**Special Needs
Recreation
7061-0010**

FY'89 Appropriation: \$ 400,000
FY'90 Expenditures: \$ 100,000
FY'91 Appropriation: \$ 72,000
FY'91 Funds Available: \$ 72,000
FY'92 House 1: \$ 0

This account reimburses cities and towns up to 50 percent of the cost of running recreation programs for school age children with special needs. Because this account was never fully funded, the reimbursement rate was 17 percent in FY'89; the reimbursement rate in FY'91 fell to below four percent. House 1 eliminates the program.

EDUCATION

The history of public education in the Commonwealth of Massachusetts is long and proud. Massachusetts educators such as Horace Mann have traditionally placed the Commonwealth in the forefront of ensuring equal access and opportunity for all its citizens by providing a quality education. As recently as 1988, Massachusetts led efforts to reform public education to meet the changing needs of an increasingly diverse society, where educational success depends on factors beyond competence in the classroom setting.

Increasing numbers of leaders from education, business human services, and government support increased linkages between schools and their surrounding community to address the non-academic needs of children. The recent Committee for Economic Development report, "The Unfinished Agenda," calls for "A systematic reappraisal that would more closely link education and child development services."

Education reform law enacted in 1985 (Chapter 188) and 1987 (Chapter 727) committed the Commonwealth to working toward ending the historic inequities in the funding of public education. Grant programs created by the new laws channeled additional resources to school districts and schools which expend fewer dollars per student than the statewide average, and to schools with poor academic records and large numbers of students at risk of academic failure.

Early Results of School Reforms

Results of the new reforms were seen immediately in the 1989 - 1990 school year. Student performance in statewide basic skills tests improved. The projected four year dropout rate for the high school Class of 1992 is 18 percent, down from 20 percent for the Class of 1991. The dropout rate in urban school districts fell even more: at 28 percent for the Class of 1992 from 31 percent for the previous class.

Basic Education Opportunity funds and other discretionary money was targeted for poor urban schools. These schools now had resources which were responsive to individual student's needs. In schools with access to these funds, we saw evidence of successful new programs which kept at-risk students in school and improved their performance.

Deterioration of Public Education in Massachusetts

In December 1989 the State Department of Education (DOE) published "Public Education in Massachusetts: A Broken Promise," a report on the impact of FY'90 budget reductions. The report documented the "withering away of educational services and programs in schools across the Commonwealth." From the 192 school districts reporting, 2,667 teachers were laid off; 563 elementary courses were eliminated, affecting 14,000 children; and 913 secondary courses were eliminated, affecting 18,000 children.

Fifteen months later, the quality of public education in Massachusetts has declined even further. DOE estimates that 10,000 teachers were given layoff notices this school year (not all were actually laid off). The state has drastically curtailed expenditures on education reform programs which had enabled many urban schools in low-income districts to improve test scores and lower dropout rates.

Education reform efforts related to Chapter 188 and Chapter 727 have been decimated. The state has fallen further behind in its effort to redress the funding inequities faced by low-income urban school districts. A number of model programs have been drastically curtailed or entirely eliminated:

- **Dropout prevention and remedial education** grants to low income school districts have been reduced by 88 percent since 1988.
- **Early Childhood Education** grants have been reduced by 30 percent since 1988. An original goal of those who enacted education reform was to establish universal access to early childhood education by the early 1990's.
- The **Commonwealth Futures** program, which linked dropout prevention funds with federal job training funds at the local level, has been eliminated.
- The **Carnegie Schools** program, the centerpiece of Chapter 727, phase two of education reform legislation in Massachusetts, has been reduced by 75 percent since 1988 and is proposed for elimination in Governor Weld's first budget. Carnegie schools received grants to design and implement model school governance policies and to interact more aggressively with their surrounding community — crucial steps in the improvement of schools in today's society.
- Programs for **Gifted and Talented** students no longer receive state funding.

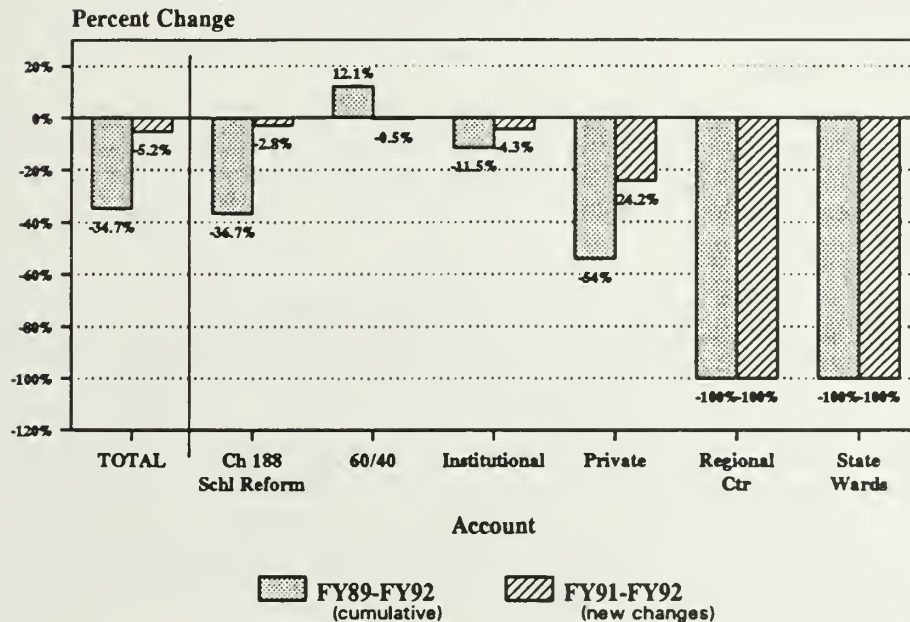
Cuts Will Continue in FY'92

The Governor's budget for the 1991 - 1992 school year (FY'92) proposes to reduce state aid for education by \$94.5M. If adopted, Massachusetts will become the only state to have cut expenditures for K-12 and Higher Education for three straight years. Individual school systems are predicting further drastic cuts in already pared down school budgets. The Fall River school district, for example, may have to layoff 150 teachers. The City of Boston is millions of dollars short of the amount necessary to maintain current services. Most urban school districts are in similarly dire straits.

The following graph illustrates funding cuts from FY'89 to FY'92 to some state funded education programs. Funding for programs related to Chapter 188 school reform has declined. The 60/40 account which pays 60 percent of the cost of placing students with special needs in private residential schools has increased overall, with a slight reduction projected in House 1.

Education: Changes in Funding FY89 - FY92

Funding in accounts shown changed from \$231.1 M to \$151.8 M



Basic Skills Test Scores Decline

In March 1991, the Department of Education released the results of the 1990 Basic Skills Tests given to students in grades 3, 6, and 9. For the first time since the program was instituted in 1987, statewide averages declined:

Grade	Year	Percent passing all tests
3	1989	88%
	1990	85%
6	1989	84%
	1990	84%
9	1989	82%
	1990	79%

The drop was particularly marked in urban school systems like Boston, Springfield, Holyoke, and Lowell, which have reduced classes and increased class size over the past three years. The Commissioner of Education attributes the decline in great measure to the continuing loss of state funds for education, particularly in the loss of programs for disadvantaged children. Such test results could be a one-year aberration, but it will be difficult to decide that; the Governor's budget proposes to suspend the testing program next year.

Special Education

Massachusetts has been a leader in the movement to educate children and young adults with disabilities since 1972, when it became the first state to pass a special education law. Prior to the passage of Chapter 766, children had to meet rigid criteria to be eligible for the few state or locally supported special education programs. These children were often stigmatized, or received no services at all.

The Department is in the second year of a grant program which develops model programs to serve children with disabilities. The Department's Divisions of School Programs and Special Education are jointly overseeing a project where six school districts are restructuring their schools to promote the integration of all students.

Chapter 766 applies to children from three to 22 years of age, and was designed to focus on the specific needs of each child. It directs the local systems to provide those services outlined in an individual education plan, to help every child develop to the fullest extent possible in the most appropriate, least restrictive setting. Special education services range from support services in a regular education classroom to placement in a residential school program. The services are guaranteed by law.

In school year 1989/90, 143,373 students received special education services through their local public school system, an increase of 9,762 students since 1985/86.

Over the past few years, especially as local budgets have been threatened, there has been growing concern about the increasing number of children in special education programs and the increased proportion of special needs students receiving education in separate rather than integrated settings.

School Year	System Enrollment	Sp. Ed. Enrollment	Percent
82/83	920,114	130,028	14.1
85/86	854,603	133,611	15.6
89/90	836,189	143,373	17.1

In response, DOE is working to help schools find better ways to combine regular and special education resources and encourages the delivery of special education in less restrictive, more integrated settings.

The Department is revising its Chapter 766 regulations, effective September 1991. Many of the proposed changes will serve to encourage more integration of special education students. For example, a federal requirement that services be delivered in the least restrictive environment will be incorporated throughout the regulations. This will help ensure that local schools are doing

their best to mainstream each child with special needs. Other changes encourage offering services to preschool age children, saving money in the long run, since children with special needs who receive services early in life are less likely to require more costly interventive services later on in life.

DOE also requires that the federal funds the state receives for early childhood education for children aged 3 to 5 be used to integrate special needs children with mainstream children. New federal child care funds may also be used for this purpose.

State budget cuts have made it difficult for DOE to maintain the level of activity it would like. For example, the elimination of all regional centers will make monitoring of regulations and technical assistance to school districts to increase mainstreaming more difficult.

Special Education Mandates Under Fire

Despite Department of Education efforts to control special education costs through increased integration of children with special needs into less restrictive settings, proposals to control costs through changes in the Chapter 766 mandates probably will receive more serious consideration. Legislation has been filed this spring, as it has for the past several years, to repeal the requirement that children with special needs be offered educational services to maximize their potential. Instead children with special needs would be entitled merely to services which are "adequate and appropriate." Governor Weld's FY'92 budget incorporates this change in an outside section.

Advocates of special education argue that this change should not eliminate the requirement for private school placements, which is also a stipulation of the federal special education statute, P.L. 94-142. They contend that a more constructive approach is to allow the Department of Education to continue in its efforts to mainstream increased numbers of students.

Special Education Audit

In March, 1991, the State Auditor released a multi-year study of the special education system. The report is supportive of Chapter 766 with regard to both its original intent as well as the method by which it has been implemented. The major conclusion of the report is that considerable savings will result if more special education students are mainstreamed and the regular education system is improved and supported to accomplish this goal. It also cited the need for more training for regular classroom teachers, changes in teacher certification, restoration of teachers' aides, new remedial programs, and more counseling services. The report does not endorse proposals to repeal the "Maximum Feasible Benefit" provisions of Chapter 766.

The following programs administered by the Department of Education have a major impact on the education of children in Massachusetts.

**DEPARTMENT
OF
EDUCATION**

**Student
Testing
7010-0025**

FY'89 Appropriation: \$ 1,300,000
FY'90 Expenditures: \$ 1,199,998
FY'91 Appropriation: \$ 1,106,000
FY'91 Funds Available: \$ 1,106,000
FY'92 House 1: \$0

Since 1987, public schools in Massachusetts have administered basic skills tests in reading, writing, and mathematics to students in grades 3, 6, and 9. The collective scores have served as an indicator of academic performance at the school, district, and statewide levels. After showing steady improvement each year since their inception, the statewide scores fell in 1990. House 1 proposes to suspend the program in 1991, which will eliminate the opportunity to determine whether the decline represents a one year aberration or might signal the beginning of a downward trend.

**School
to Work
7027-0016**

FY'89 Appropriation: \$ 1,200,000
FY'90 Expenditures: \$ 900,000
FY'91 Appropriation: \$ 864,000
FY'91 Funds Available: \$ 864,000
FY'92 House 1: \$ 0

House 1 eliminates this grant program aimed at building job-related educational experience for students in urban schools.

**Regional
Centers
7030-0200**

FY'89 Appropriation: \$ 5,078,200
FY'90 Expenditures: \$ 3,535,496
FY'91 Appropriation: \$ 3,553,557
FY'91 Funds Available: \$ 2,794,842
FY'92 House 1: \$ 0

The last two DOE regional centers will be closed before the end of FY'91. All program development, contract monitoring, and technical assistance to the 361 operating school districts in Massachusetts will be provided by the central office in Quincy.

**Carnegie
Schools
7030-1600**

FY'89 Appropriation: \$ 1,000,000
FY'90 Expenditures: \$ 225,000
FY'91 Appropriation: \$ 192,000
FY'91 Funds Available: \$ 172,355
FY'92 House 1: \$ 0

The Carnegie Schools Program was created in 1987 by Chapter 727 to develop innovative school governance approaches that would foster creativity and positive results in the form of well-educated students. It was created to foster reforms in school-based management, which elementary education experts cite as the most effective setting to implement education reform programs. Individual schools receive grants to set up pilot programs which can be replicated by other school districts. Originally funded at \$1,000,000, the program has never expended more than \$250,000 in a given fiscal year. House 1 eliminates the program.

**Basic
Skills
7030-2000**

FY'89 Appropriation: \$ 9,000,000
FY'90 Expenditures: \$ 3,625,000
FY'91 Appropriation: \$ 2,304,000
FY'91 Funds Available: \$ 2,215,987
FY'92 House 1: \$ 1,967,984

This account funds two discretionary grant programs — remedial education for grades one through nine and dropout prevention programs for grades seven through 12. Remedial programs include instruction in math, science, and reading for students who tested poorly in those subjects. Dropout programs include individualized counseling for at-risk students. Guidelines require school districts to structure programs in a manner that assures systemic school change. DOE's experience with dropout prevention is that institutional policies and practices within schools, such as suspending students for disciplinary reasons, contribute to dropout, truancy, and academic failure. In FY'91 the Department is funding dropout prevention programs in 26 school districts and remedial programs in 48 districts, down from 52 and 96 respectively, three years ago. House 1 reduces the program by 10 percent. The Department will have to eliminate several districts from the program and reduce funding to those that remain.

**Lucretia
Crocker
7030-4000**

FY'89 Appropriation: \$ 504,000
FY'90 Expenditures: \$ 504,000
FY'91 Appropriation: \$ 483,840
FY'91 Funds Available: \$ 473,840
FY'92 House 1: \$ 150,000

This Chapter 188 program awards fellowships to public school teachers who have developed innovative educational programs and curricula. Fellows spend one year conducting workshops and disseminating their programs to selected schools. Each year ten to 15 fellows are selected and up to 100 schools receive mini-grants to replicate the model programs and curricula. House 1 reduces funding by about 70 percent, which will sharply curtail the number of fellowships and mini-grants distributed in FY'92.

**Education
Technology
Trust
7030-5000**

FY'89 Appropriation: \$ 300,000
FY'90 Expenditures: \$ 99,814
FY'91 Appropriation: \$ 96,000
FY'91 Funds Available: \$ 50,000
FY'92 House 1: \$ 0

This is a discretionary grant program which seeks to integrate technology into the classroom. Funds have been used for such purposes as introducing computers into the classroom or assembling a weather station. The program has been reduced by 83 percent since FY'89. House 1 proposes its elimination.

**Commonwealth
In-Service
Institute
7032-0301**

FY'89 Appropriation: \$ 855,000
FY'90 Expenditures: \$ 744,500
FY'91 Appropriation: \$ 576,000
FY'91 Funds Available: \$ 517,064
FY'92 House 1: \$ 306,000

House 1 reduces this teacher development program by 40 percent, which would represent a 64 percent reduction since FY'89.

**Comprehensive
Health
Education
7032-0500**

FY'89 Appropriation: \$ 1,500,000
FY'90 Expenditures: \$ 1,349,993
FY'91 Appropriation: \$ 1,296,000
FY'91 Funds Available: \$ 1,163,393
FY'92 House 1: \$ 1,007,272

This discretionary grant program provides communities with funds for three years to establish health-related programs in the public schools, including programs which address teen pregnancy, violence prevention, and substance abuse. In FY'91 the Department is funding 30 communities; one in its third year; 28 in their second year; and one in its first year. At the House 1 funding level, no additional communities will be funded in FY'92 and some communities will receive less than they expected. Starting in FY'93, DOE plans to implement a new set of eligibility guidelines which targets funding for low-income urban communities, which may allow communities that received funding in the past to reapply.

**School
Aid
(Chapter 70)
7061-0008**

FY'89 Appropriation: \$ 1,218,034,480
FY'90 Expenditures: \$ 1,218,543,471
FY'91 Appropriation: \$ 968,406,286
FY'91 Funds Available: \$ 968,406,286
FY'92 House 1: \$ 957,606,286

This account, as well as a separate account which provides "additional assistance" to cities and towns, funds local aid to public school districts and other activities and services provided by municipal government. Not all chapter 70 funds are spent on education. DOE estimates that 45 percent of all funds provided to cities and towns through this account and the additional assistance account are used to support public education.

Local aid reductions in recent years have resulted in the layoffs of thousands of teachers and the cancellation of over one thousand classes affecting tens of thousands of public schools students.

House 1 reduces the school aid account by about \$56 million, or 6 percent. The reduction in "additional assistance", the other principal local aid account (0611-5500) is about \$154 million (a 21 percent reduction). Using DOE's estimate of 45 percent, we can estimate that about \$94.5 million will be cut from education programs.

**State Wards
7061-0009**

FY'89 Appropriation: \$ 7,300,000
FY'90 Expenditures: \$ 7,000,000
FY'91 Appropriation: \$ 6,720,000
FY'91 Funds Available: \$ 6,720,000
FY'92 House 1: \$ 0

House 1 proposes to eliminate state funding to school districts to pay for the education of children in foster care or group care whose parents do not live in that school district. This will place an increasing financial burden on school districts to provide education for these children.

**Equal
Education
Opportunity
Grants
7061-1000**

FY'89 Appropriation: \$ 139,348,584
FY'90 Expenditures: \$ 109,727,911
FY'91 Appropriation: \$ 105,522,604
FY'91 Funds Available: \$ 105,522,604
FY'92 House 1: \$ 105,522,604

More than half the funding mandated in Chapter 188 is provided to school districts through this program. Assistance is provided to school districts according to the average per pupil expenditure. The intent of the program is to make educational expenditures at the local level more equitable across the state. DOE never received \$20 million, first appropriated in FY'89, which is needed to implement a second phase of education reform that targeted 149 so-called "Opportunity Schools", defined in Chapter 727 as schools which are the least successful in achieving their educational goals and whose students are most at risk of academic failure.

Since FY'89, the program has made no further progress toward its original goal of closing the spending gap between affluent and lower income school districts. With subsequent cuts in education aid, it must be assumed the gap has widened.

**School
Improvement
Councils
7061-4000**

FY'89 Appropriation: \$ 10,100,000
FY'90 Expenditures: \$ 1,288,118
FY'91 Appropriation: \$ 1,440,000
FY'91 Funds Available: \$ 1,344,000
FY'92 House 1: \$ 1,312,000

School Improvement Councils are school-based advisory councils authorized to expend funds to create alternative innovative education programs. These programs are designed to meet the needs of students, teachers, parents, and the community surrounding individual schools. Successful projects have included computer instruction and science activities.

Chapter 727 mandated that DOE provide each public school with \$15 per pupil to fund the Councils. In FY'89, funding was reduced to \$8.00/student. In FY'90 it dropped to \$2.44 per student, and to \$1.61 per student in FY'91. House 1 calls for spending \$1.57 per student.

**Horace
Mann
Teacher
Grants
7061-5000**

FY'89 Appropriation: \$ 7,409,146
FY'90 Expenditures: \$ 1,014,499
FY'91 Appropriation: \$ 480,000
FY'91 Funds Available: \$ 448,000
FY'92 House 1: \$ 448,000

Horace Mann grants are awarded to teachers who agree to accept expanded responsibilities in such areas as curriculum development and teacher training. Each district receives an amount based on the number of the teachers in the district. Appointments are made by school committees. Each teacher can receive up to \$2,500. In FY'90 and FY'91 less than 2000 teachers received awards, down from more than 7,000 in FY'89. House 1 level funds the program.

SPECIAL EDUCATION

DEPARTMENT OF EDUCATION

Bureau of Institutional Schools 7028-0031

FY'89 Appropriation: \$ 9,679,550
FY'90 Expenditures: \$ 9,427,064
FY'91 Appropriation: \$ 9,153,492
FY'91 Funds Available: \$ 8,953,829
FY'92 House 1: \$ 8,568,627

This account provides funds to educate students in institutional settings, including state hospitals, state schools and DMH Intensive Residential Treatment Programs. House 1 annualizes an FY'91 reduction in this account which resulted in the layoff of 26 teachers assigned through the Bureau.

Private School Payments 7028-0302

FY'89 Appropriation: \$ 9,000,000
FY'90 Expenditures: \$ 6,612,817
FY'91 Appropriation: \$ 6,720,000
FY'91 Funds Available: \$5,459,709
FY'92 House 1: \$ 4,139,612

This account pays the private school costs of special needs children who have no father, mother, or guardian living in the Commonwealth, and for those few children who were served under Chapter 750 (the old special education law) and remain the responsibility of the Department of Education until they turn 22 years old. There were 2,200 Chapter 750 students in 1974; today there are only 38, which will decrease to 30 by the end of FY'91. The number of students with no parent or guardian living in the Commonwealth is currently 114, projected to fall to 99 by the end of FY'91.

The House 1 recommendation will cover the FY'91 cost for eligible children, if the number of children with no parents remains stable.

**Non-Educational
Residential
Cost (60/40)
7061-0012**

FY'89 Appropriation: \$ 25,300,000
FY'90 Expenditures: \$ 27,041,527
FY'91 Appropriation: \$ 29,656,464
FY'91 Funds Available: \$ 28,523,587
FY'92 House 1: \$ 28,366,816

This account funds reimbursements to school districts to reduce the burden of funding the residential portion of costly private residential schools. The average number of placements funded in this account is about 930, a figure which has remained fairly constant over the past year.

JUVENILE JUSTICE

The responsibility for providing services, care, and protection for children who are run-aways or charged as delinquent is shared by the judicial system and human service agencies.

Human service agencies provide assessments, detention, and other services to children referred or committed to them by the courts. The Department of Mental Health (DMH) funds specialized staff for court clinics. The Department of Social Services (DSS) provides comprehensive services to children designated by the courts as "Children in Need of Services" (CHINS). The Department of Youth Services (DYS) provides detention for children awaiting trial, as well as comprehensive services to children referred or judged to be delinquent by a Juvenile or District Court.

Courts and Juveniles

Not all juveniles who appear before courts are committed to DYS or to DSS. Many work with juvenile probation officers to get the services they need. The number of CHINS cases at Probation increased by 16 percent from calendar year 1987 to calendar year 1989. The care and protection caseload, that is, petitions to remove children from homes because of abuse or neglect, increased by 51 percent in the same time period. In a study released in December of 1989, Youth at Risk: Juveniles on Probation in Massachusetts, the Office of Probation documented the increasing severity of problems of another group of youth entering its system — youth who would be criminal offenders if they were adults. From 1979 to 1989, the number of these juveniles entering the probation system decreased by 18 percent. (The youth population also decreased during this time.) However, the report found that youth entering the probation system were increasingly more troubled, for example, with severe substance abuse problems and weapons offenses. As a result, each youth required significantly more of a probation officer's casework time.

Since the 1989 report, the number of probation officers in the state has been cut by at least 10 percent. Currently, there are 901 probation officers. Twenty to twenty-five percent handle juvenile cases that come before district and juvenile courts. Some work only with juvenile cases, others work with both juveniles and adults. With most of the state's courts reporting, the Office of Probation recorded 18,770 juvenile arraignments in calendar year 1990, a 1.9 percent increase over two years.

According to a Massachusetts Probation Assessment Report prepared in 1987 for the Chief Administrative Justice of the Trial Court, probation officers evaluate the personal, family and social problems of juveniles, develop an action plan, and coordinate community resources most appropriate for the juvenile and their family. Not only do higher caseloads make this more and more difficult, but cuts in community programs have been devastating. According to the Office of the Commissioner of Probation, the breakdown in the community social service support system is creating extremely difficult problems for juvenile probation officers. Cuts in funding or lack of needed expansion in community drug treatment programs, literacy, and dropout prevention programs and in-court clinic staff have left probation officers with fewer services to access.

Department of Youth Services

Since 1972, when Massachusetts closed its custodial institutions for delinquent youth, the Department of Youth Services (DYS) has provided community-based treatment for preadolescents and teenagers from seven to 17 years of age who are committed to its care by the courts. The National Council on Crime and Delinquency, in a 1989 study on recidivism - repeating an offense or committing another, cited Massachusetts as more successful at reducing crime among juveniles than any other state. The study confirmed the success of the community based approach used by DYS, and that it is more cost effective than operating large institutions, the practice used by most other states. But increased caseloads and reduced staffing are putting a strain on the DYS system.

DYS is responsible daily for between 1,600 and 1,800 court-committed or detained youth. Apparently, a higher percentage of arraigned youth go through the DYS system than in previous years. The population of youths in Massachusetts ages 10 to 16 decreased steadily from 680,627 in 1980 to an estimated 506,790 in 1989. While fluctuating somewhat year to year, arraignments decreased from 25,943 in 1980 to 18,770 in 1990. DYS numbers have increased or held steady. The number of youth on bail awaiting trial increased from 1,774 in 1983 (the first year with data available) to 2,953 in 1989. The number of youth newly committed to DYS, while fluctuating over the decade, was 830 in 1990 compared to 854 in 1980.

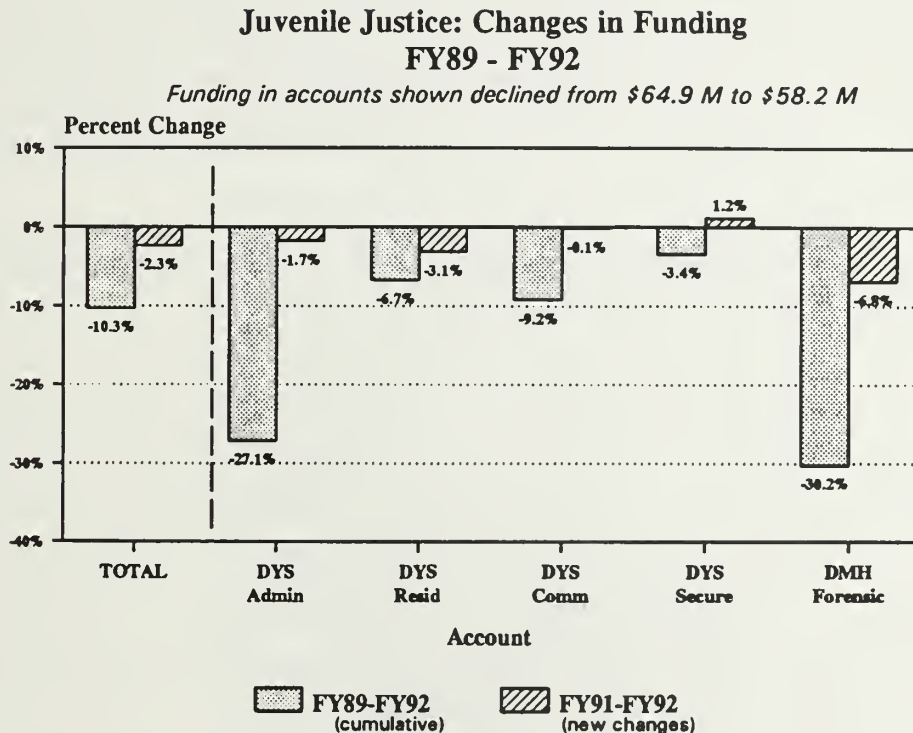
The detention system is overcrowded. DYS detention must serve both adolescents who are committed to DYS and are waiting for residential placements, and those who are awaiting trial. A number of these adolescents are runaways who are before the courts on CHINS petitions and are placed in detention by judges concerned about their safety. On any night, up to 25 detained youth are sleeping on cots in corridors or are double-bunked in facilities that are over capacity.

According to a January, 1990, DYS report prepared for the state's Anti-Crime Council, the number of Massachusetts youth between the ages of 10 and 16 has declined by 174,000 in the last ten years. The number of juveniles charged with crimes has also decreased, from 25,943 in 1980 to 18,902 in 1989. Yet a higher percentage of those charged with crimes are committed to DYS, and these youth are committing more serious and violent crimes. The number of youth detained on bail status has doubled since 1983. The number of juveniles detained by DYS on drug dealing charges rose 731 percent in the 4 year period from 1986 to 1990.

Despite increasing caseloads, DYS has experienced staffing and program cuts since FY'89. In FY'91, budget reductions forced DSS to eliminate a number of residential and non-residential treatment services. The length of stay in placements for many youth was shortened. Over 600 of the youth involved with DYS are living at home under the supervision of a caseworker. However, the account which funds caseworkers has seen repeated reductions since July 1, 1988. This account is further reduced in House 1, as is the Administrative Account. With a 40 percent administrative staff reduction since July 1, 1988, fewer staff are responsible for the coordination of programs for more difficult youth.

DYS is expecting to be able to offset \$200,000 of its required \$800,000 in FY'91 "savings" with Title IVE federal funds. Access to this federal funding stream, new for DYS, would bring an estimated \$3M into the General Fund for FY'92. If Title IVE brings in more than \$3M, DYS hopes to be able to use the additional funds to support current services. The House 1 funding level is contingent on DYS accessing \$3M in Title IVE funds.

The following graph illustrates funding cuts to DYS and DMH accounts which serve court-involved youth.



CHINS

Each year, approximately 6,000 youth under age 17 who have run away or are otherwise in trouble, are brought before the courts under the CHINS law. Often, these youth are in long-standing conflict with their parents. Over half have histories of truancy. They are at risk of dropping out of school and may be involved in substance abuse. Some have persistent health problems. Nationally, 75 percent of youth who run away have been subjected to physical or sexual abuse.

The 1989 report of the Special Commission on Children in Need of Services (CHINS) found that, while the number of CHINS petitions has increased steadily in the past seven years, adequate services have never been provided to the youth who need them. The Department of Social Services (DSS), the courts, schools, hospitals and police all have responsibilities to these youth. Cuts mean fewer of these young people will receive services.

Runaways and Local Lockups

Additionally, Massachusetts is working toward compliance with a federal statute which prohibits youth who are not charged with a crime from being held in a jail cell and limits the time delinquent youth can be held at an adult facility to six hours. Massachusetts is completing the second year of a Federal grant, administered by the Office for Children, to operate a Juvenile Justice Prevention Program. The program has created alternative systems and services in at least 63 towns and cities for youth, often runaways, who are picked up by local police. These systems and services are models for other communities. Without continued local and state funding as the federal grant winds down, further development of emergency shelters or crisis intervention systems, will cause youth to be held inappropriately in jails and local police lockups, in violation of Federal law.

Recent state budget cuts are seriously affecting an already overloaded system and the troubled young people it was created to help. Without adequate funds, the progress made during the last 17 years will be undermined.

DEPARTMENT OF YOUTH SERVICES

DYS Administration 4200-0010

FY'89 Appropriation: \$ 3,700,000
FY'90 Expenditures: \$ 3,375,976
FY'91 Appropriation: \$ 2,880,214
FY'91 Funds Available: \$ 2,743,680
FY'92 House 1: \$ 2,696,611

The DYS Administration account funds the Department's central office operations. Personnel in this account coordinate programs, provide necessary legal services, and manage secure treatment classification hearings, detention populations, and physical plant issues. In addition, the account funds necessary support activities — accounting, contracting and personnel functions. The central office account has seen continued decreases in personnel since 1988. Current staffing levels are down 40 percent since July of 1988. Only one vacancy in this account has been filled since December of 1988. The Department faces increasing difficulty performing necessary monitoring, reporting and evaluation tasks. It must manage an increased client population with fewer staff.

House 1 supports 54 positions, 1.5 positions below the current level. Rent and other expenses were trimmed during FY'91. The proposed budget annualizes many of the reductions generated during FY'91.

**Residential
Care
Program
4202-0021**

FY'89 Appropriation: \$ 35,718,000*
FY'90 Expenditures: \$ 37,568,000
FY'91 Appropriation: \$ 36,343,680
FY'91 Funds Available: \$ 34,380,351
FY'92 House 1: \$ 33,308,546

*This includes an FY'89 supplemental budget.

This account funds many of the Department's treatment and detention programs. The account funds a full array of residential and non-residential services including secure treatment, secure detention, group care, foster care, counseling, and day treatment programming. Services are provided by an array of non-profit agencies under contract for requested programming. Programs eliminated from the account during FY'91 include: a nine bed secure treatment program, a 15 bed group home, a 30 slot day treatment program, 10 specialized residential placements, a vocational education program, four intake (transportation/reception) programs, four detention diversion programs and various educational, clinical, and support services. Furthermore, the Department has reduced the length of stay in residential and non-residential placements for many committed youth in order to compensate for the loss of the programs described.

For FY'92, this account will fund the programs that still exist after FY'91 cuts. The Department has made a concerted effort to avoid closing additional programs which would result in permanent loss of capacity. A recent review of youths placed in community settings indicated as many as 83 youth were in substantially insufficient placements for their treatment needs. This group primarily consisted of youth requiring residential placements who had been released to their homes under outreach and tracking or caseworker supervision.

Programs purchased in FY'92 under House 1 appropriation levels will include:

Secure Treatment	106 Beds
Detention	134 Beds
Group Care	201 Beds
Foster Care	26 Beds
Transitional Programs	99 Beds
Outreach and Tracking	321 Slots

House 1 funds current programs. These programs should remain operational in FY'92, although their ability to provide treatment has been eroded as a result of three years without cost of living increases and cuts they have absorbed.

**Community
Based
Treatment
Units
4237-1010**

FY'89 Appropriation: \$ 6,250,000
FY'90 Expenditures: \$ 6,359,489
FY'91 Appropriation: \$ 5,971,320
FY'91 Funds Available: \$ 5,680,716
FY'92 House 1: \$ 5,676,483

The Community Based Treatment account funds DYS's case management system. Every youth committed to the Department is assigned to a caseworker. Caseworkers oversee treatment and make assessments, referrals, and recommendations for changes. Upon completion of intensive programming, youth return to the community under the supervision of a caseworker. Should a youth violate the conditions of release, caseworkers make recommendations for revocation back to a more restrictive setting.

This account has been cut in recent years. Staffing levels have dropped from 180 in July of 1988 to 163 in December of 1989, and again during FY'91. Some staff were added to enable the Department, in response to cuts in contracted services, to transport youth to appropriate detention programs after the daily court activity determines overnight census levels. DYS regional staff have had to assume the responsibility for redistributing youth among facilities once sheriffs complete transportation from the courts. Several staff were redeployed for this effort, which enabled the Department to reduce spending by approximately \$1M.

The department has sought to maintain caseworker to youth ratios at a 20 to 1 level, forcing reductions in all other regional operations. Clerical and management functions have been hard hit, and program monitoring efforts have been limited by an 80 percent reduction in personnel.

**Consolidated
Secure
Facilities
4238-1000**

FY'89 Appropriation: \$ 11,630,000*
FY'90 Expenditures: \$ 11,971,774
FY'91 Appropriation: \$ 11,474,453
FY'91 Funds Available: \$ 11,093,679
FY'92 House 1: \$ 11,230,820

*Includes \$230,000 supplemental budget.

This account supports detention, treatment, and transitional management programs as well as the Stephen L. French Forestry Camp. Programs funded in this account serve the Department's most challenging youth. Staffing levels must ensure the safety of youth, staff, and the public. This account has been severely impacted by both detention overcrowding and loss of positions. Programs in this account have had to add beds and operate with fewer staff. FY'91 reductions forced the Department to close a 21-bed detention program.

At the proposed House 1 level, this account will fund 184 treatment and detention beds, a number which includes the Department's Forestry Camp program. Historically, the Department has had as many as 80 youths on waiting lists for entry into these programs. Since the Department has shortened the average length of these programs, the waiting list has dropped. The Department is currently monitoring the recidivism statistics for youths receiving shorter lengths of secure treatment.

The Department will continue to operate the current array of programs and facilities within the resources available in House 1. Two secure treatment units will remain closed: Worcester Youth Service Center, which was closed in FY'91, and Grafton Cottage, renovated, but lacking operational funding. Staffing levels are quite depleted as positions are left unfilled. Support services including health care, food service and maintenance have been particularly hard hit by staffing reductions.

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**DEPARTMENT
OF
MENTAL
HEALTH**

**Forensic
Mental
Health
5049-0000**

FY'89 Appropriation: \$ 7,615,118
FY'90 Expenditures: \$ 6,862,666
FY'91 Appropriation: \$ 6,415,613
FY'91 Funds Available: \$ 5,708,737
FY'92 House 1: \$ 5,317,704

This account funds mental health services for court referred or committed persons, some of whom are children.

Prior to FY'88, only the Boston Juvenile Court, the Springfield Court and the Roxbury District Court had clinical staff who specialize in serving adolescents. Since then, expansion in DMH forensic services added adolescent specialists or clinical staff serving both adolescents and adults to nearly all juvenile courts and district courts with juvenile sessions.

Cuts in FY'90 and FY'91 resulted in reduced capacity for court clinic evaluations and a cutback in mental health services in county jails. At present, clinic staff have the capacity to complete court ordered evaluations only. Prevention services have essentially disappeared.

Although some of the cuts projected for FY'91 were taken instead in the hospital account, this restoration is not reflected in the Governor's recommendation for FY'92. House 1 is \$391,000 below current spending levels. This will require a reduction of 8.5 positions, bringing the Division of Forensic Services down to 44 staff. Already stretched clinic resources will be stretched even further or eliminated from some courts.

THE BUDGET PROCESS

The state budget is an important tool for making public policy. It describes how billions of dollars are to be spent during the state's fiscal year which begins on July 1 of one year and ends on June 30 of the next. The preparation of the final budget for the Commonwealth begins in earnest in January and generally, but not always, concludes prior to the beginning of the new fiscal year. For the last two fiscal years, spending levels have been changed a number of times during the year in response to budget deficits. Preparatory work normally occurs at the agency and secretariat levels during the summer and fall.

The major steps in the budget process are as follows:

- State agencies, in general, develop their budget requests during the summer months. In September, requests are sent to the appropriate cabinet secretary, the Senate and House Ways and Means Committees, the Budget Bureau and the Legislative Committee on Post Audit and Oversight. In light of the ongoing budget crisis, this did not occur this year.
- In October, each secretariat holds public hearings on its agencies' budget requests. The secretariats' recommendations are then forwarded to the office of the Secretary of Administration and Finance (the Budget Bureau).
- The Budget Bureau finalizes each secretariat's request and makes recommendations to the Governor. The Governor submits his Budget Request, House 1, to the Legislature in January, or with a new Governor, in February.
- The House Ways and Means Committee reviews House 1 and holds public hearings. The Committee then reports out its recommendations for the next fiscal year's budget. That document is sent to the House floor where it is discussed, amended and voted upon as the House version. It is then sent to the Senate.
- The Senate Ways and Means Committee also reviews and holds public hearings on the budget recommendations contained in both House 1 and the House version. The Senate Ways and Means version is discussed, amended and voted upon by the Senate.
- Differences between the House and Senate versions are resolved by a Joint Conference Committee. This body usually consists of six members — the chair and vice-chair of both Ways and Means Committees and a minority party member from each legislative body. The product of this Committee is sent to both the House and Senate for a final vote. Debate occurs, but no amendments can be offered.
- Once the budget is approved it is sent to the Governor for his signature. The Governor reviews it. He has ten days within which to make "line item" vetoes (i.e. reject specific appropriations) and approve the remainder of the Budget.
- The legislature, if still in session, reviews the line items identified for veto and has ten days within which to override the Governor's line item vetoes if it so chooses.

To adequately evaluate proposed spending on children's programs in FY'92, the Children's Budget contrasts past appropriations with current spending levels and the House 1 budget recommendations. These designations are defined as follows:

- **Appropriation** — the amount of money designated for a specific account in the final state budget.
- **Expenditures** — the amount of money actually spent by the agency in the fiscal year.
- **Funds Available** — the amount of money actually available after gubernatorial vetoes and withheld allotments and mid-year reductions ordered by the Administration and the legislature.
- **House 1** — the amount of money proposed by the Governor to be available for allotment to a specific account.

A NOTE ABOUT CALCULATIONS FOR SUMMARY CHILDREN'S BUDGET CHARTS

The summary charts of non-entitlement accounts "Children's Budget FY'89 - FY'92" focus on accounts that primarily serve children. Some accounts covered in the text of the children's budget may serve small or an unknown number of children. The following accounts were not included in the charts:

Children with Disabilities:

- 4110-1020, MCB Medicaid for the Blind.
- 4110-2040, MCB Social Services for the Blind.
- 4120-0012, MRC Social Services.
- 4120-0071, MRC Statewide Head Injury Program.
- 4125-0100, MCDHH Massachusetts Commission for the Deaf and Hard of Hearing.
- 5948-0000, DMR Mental Retardation Community Services.

Education:

- 7061-0008, DOE Chapter 70.

Children's Mental Health:

- 5046-0000, DMH Adult Mental Health Services.
- 5051-0100, DMH Community Mental Health Centers.

Basic Needs:

- 3722-9027, EOCD State Housing Assistance for Rental Production.
- 3722-8788, EOCD Rental Development Action Loans.
- 3722-8880, EOCD Home Ownership Opportunity.
- 3745-1000, EOCD Emergency Fuel Assistance.
- 1201-0160, DOR Child Support Enforcement.

Children's Health, Nutrition and Safety:

- 4510-0600, DPH Environmental Health.
- 4516-1000, DPH State Laboratory and Communicable Disease Control.
- 4512-0200, DPH Alcoholism and Drug Rehabilitation.
- 4512-0103, DPH AIDS.*
- 4000-1000, EOHHS DMS Administration.
- 4600-1050, EOHHS Hospital Uncompensated Care Pool.
- 4600-1300, EOHHS Health Insurance Phase-Ins.
- 4600-1060, EOHHS Uncompensated Care, Community Health Centers.

*Included in the chart of "preventive health services" in the health chapter but not in overall summary charts because the account does not primarily serve children.

Overall, these accounts decreased by 15 percent from FY'89 appropriation to House 1. All but a few accounts that were not included serve only a small, or a larger but unknown, number of children. For the DPH substance abuse account and the DMR community services account, the portion of the account roughly identified as services to children was incorporated in calculations for the graphs. Chapter 70 was not included because it is larger than all other accounts combined and would seriously distort the calculations.

Entitlements covered in Children's Budget are: Supplemental Security Income (SSI), DPW Administration (DPW), DPW Employment and Training (ET), Aid to Families with Dependent Children (AFDC), Emergency Assistance (EA), General Relief (GR) and GR Health, and Medicaid. Commonhealth was also treated as an entitlement in the calculations. Entitlements increased by 11.9 percent from FY'89 to House 1. Funds for DPW Administration and the ET program are actually lower in House than the FY'89 appropriation, but these decreases are more than made up for by the increase in Medicaid. The ET child care voucher funds were included in the graph calculations as a part of child care.

APPENDIX: CHILDREN'S BUDGET ACCOUNTS INDEX

All child-related accounts appearing in House 1 are listed on the following pages by agency in alphabetical order.

Department of Education (DOE)

Account	Description	Page
7061-4060		
Achievement Awards	Rewards schools that reach or exceed educational goals.	
7030-2000		
Basic Skills Remediation	Provides for the remediation of students who have not met basic skill levels in reading and math as measured through the statewide testing program (7010-0025).	105
7030-1600		
Carnegie Schools	Funds a discretionary grant program for schools that design an innovative school governance approach.	105
7030-2001		
Commonwealth Futures Program	Supplements a private grant to establish a coordinated statewide effort to address the dropout problem through the development of local dropout prevention programs in target communities.	
7032-0301		
Commonwealth In-Service Institute	Provides inservice professional training for school teachers.	106
7032-0500		
Comprehensive Health Education	Provides grants to cities, towns and regional school districts for school-based comprehensive health education program planning in the public schools.	107
7030-1000		
Early Childhood Education	Administers grants and provides technical assistance to cities and towns for the development of preschool, enhanced kindergartens, transitional first grade programs, and combined day care and early education programs.	38
7030-5000		
Education Technology Trust	Administers a discretionary grant program to integrate technology into the classroom.	106

7010-0044 Emergency Grants for Educational Needs of Children of Limited English	Provides funding for cities where current demographic changes due to immigration and relocation of families has increased the need for English as a second language teachers, bilingual teachers and specialized curriculum.	
7010-0043 Equal Education Improvement Funds	Provides grants to cities and towns with students of Hispanic and Southeast Asian origin for specialized curriculum and staff.	
7061-1000 Equal Education Opportunity Grants	Supplements the direct spending budgets of school districts currently spending less than 85 percent of the statewide per pupil average.	108
7032-0211 Gifted and Talented	Funds support programs for gifted and talented children in public school settings.	
7030-1500 Head Start	Provides preschool educational readiness programs targeted to low-income communities meeting federal guidelines.	39
7061-5000 Horace Mann Teachers Grants	Provides grants to teachers who increase responsibilities and add new roles to their present position in order to enhance curricular activity.	109
7028-0031 Institutional Schools	Provides funds for educating students in institutional settings, including state hospitals, state schools and Department of Mental Health Intensive Residential Treatment Programs (IRTP).	110
7030-3000 Leadership Academy	Provides inservice professional development programs for school administrators.	

7028-0101 Local Education Authority Incentive Grants	Provides grants to cities, towns and regional school districts for the development of programs for children returning to their communities from institutional settings.	
7030-4000 Lucretia Crocker Program	Awards fellowships to public school teachers who have developed innovative educational programs and curricula.	106
7027-0016 Matching Grants for Various School-to-work Programs	Supports a program for twelfth graders to help them make the transition from school to work through employer connections and support.	104
7061-0012 Non-Educational Residential Cost (60/40)	Provides funds for residential program costs for children placed by Local Education Authorities. 60 percent of the costs are paid by the state directly to the vendor.	111
7028-0302 Private Schools	Funds the incurred expenses of children who have no father or mother living in the Commonwealth or were covered by the pre-1974 special education law.	110
7030-4060 Professional Development Schools	Funds an interagency agreement with Bridgewater State College to maintain a field center for teaching and learning.	
7010-0012 Racial Imbalance Program	Provides grants to cities and towns for payment of costs incurred in eliminating racial imbalance.	
7030-0200 Regional Centers	Provides program development, contract monitoring, and technical assistance to school districts from regional sites.	104

7061-0008		
School Aid (Chapter 70)	Provides local aid to cities and towns for public education and other local services.	107
7061-4000		
School Improvement Councils	Establishes a per pupil entitlement for all children in grades kindergarten through twelve for funds disbursed to School Improvement Councils for supplemental equipment, special projects or additional curriculum.	109
7035-0004		
School Transportation	Provides school districts with funding for school transportation.	
7061-0010		
Special Needs Recreation	Partially reimburses cities and towns for summer recreational programs for children with special needs.	98
7061-0009		
State Wards	Reimburses costs to cities and towns providing educational services to children in the custody of Department of Social Services.	108
7010-0025		
Student Testing/ Basic Skills	Funds the statewide assessment testing program.	104

Department of Labor and Industries (DLI)

Account	Description	Page
9410-0101		
Retained Revenue Lead Paint Removal	Provides protection for workers who remove lead paint by inspecting their worksites.	79

Department of Medical Security (DMS)

See Executive Office of Health and Human Services

Department of Mental Health (DMH)

Account	Description	Page
5046-0000 Adult Mental Health Services	Funds residential programs, outpatient services and home support in all districts except those services offered by state-funded community mental health centers.	83
5047-0000 Children and Adolescent Mental Health Services	Funds mental health services for children and adolescents through out-patient, residential, day, emergency, family support, case management and in-patient programs.	82
5051-0100 Community Mental Health Centers	Funds the eleven community mental health centers which provide inpatient and outpatient services to mentally ill people.	85
5049-0000 Forensic Mental Health	Funds mental health services to court referred or committed persons, some of whom are children.	120
5011-0006 Turning 22 Services	Funds transition planning and services to mentally ill and developmentally disabled persons who become ineligible for special education services upon turning 22 years of age.	

Department of Mental Retardation (DMR)

Account	Description	Page
5947-0000 Child Adolescent Services	Funds services to mentally retarded children and their families including specialized home care, after-school care, skills training and recreation programs.	91

5948-0000		
Mental Retardation Community Services	Funds all services to mentally retarded persons outside of state schools including respite care.	92
5983-0100		
Mental Retardation Facilities	Funds the state schools for the mentally retarded and Mansfield Residential Autistic Program, Glavin Regional Center, Monson Developmental Center, and Hogan-Berry Center.	
5712-0100		
Reserve to Fund Administrative Costs Associated with Split of DMH & DMR	Funds Department staff and other administrative costs associated with the split of DMH & DMR.	
5911-0006		
Turning 22 - MR	Funds services for mentally retarded individuals who are no longer eligible for services under Chapter 766 upon turning 22 years of age.	90

Department of Public Health (DPH)

Account	Description	Page
4512-0103		
AIDS	Supports AIDS research, testing, counseling, public education, prevention, community health and home care services, and treatment for long term care patients.	66

4510-0110 Community Health Center Grants Program	Awards grants, not more than \$25,000 each, to community health centers to provide specific services including obstetrics and gynecology, pediatric and adolescent services, and social services.	64
4540-0001 Consolidated Hospitals	Funds DPH public health hospitals which provide clinical services to meet the needs of patients not adequately served by the private sector.	
4512-0500 Dental Health	Serves developmentally disabled children in state schools and in the community as well as Department of Youth Services clients living in secure facilities.	
4510-0600 Environmental Health	Monitors environmental hazards including lead paint poisoning and its impact on health through local, state and federal agencies.	65
4513-1000 Family Health Program	Funds the majority of programs within the Department's Bureau of Parent, Child and Adolescent Services including the Services for Handicapped Children (SHC) and Maternal and Child Health (MCH) Programs.	59
4512-0550 Fluoridation Assistance	Reimburses partial cost for fluoridation of water to cities and towns.	
4510-0103 Health Promotion	Promotes school health education programs focused on cigarette smoking, proper nutrition and physical fitness among other prevention activities.	
4513-1005 Healthy Start	Provides prenatal care to low-income women without health insurance.	62
4516-1000 Laboratory and Communicable Disease Control	Supports Center for Laboratories and Communicable Disease Control with responsibilities including newborn screening and production and distribution of vaccines and serums to immunize children.	63

4510-0611 Lead Poisoning Prevention Reserve	Provides for the implementation of the Commonwealth's new lead law Chapter 773.	
4513-1002 Office of Nutritional Services	Funds the Women, Infants and Children (WIC) Program, the Office of Nutrition and purchased services for failure-to-thrive children.	61
4513-1006 Pediatric Hospice	Administers funds to operate a pediatric hospice as an adjunct to an existing adult hospice in Boston.	
4512-0200 Substance Abuse	Provides drug and alcoholism services for adults and youth including youth residential treatment programs.	68

Department of Public Welfare (DPW)

Account	Description	Page
4400-1000 Administration	Administers central and area DPW offices and several programs including Food Stamp Administration and Project Good Health.	19
4403-2000 Aid to Families with Dependent Children	Provides monthly benefits to all financially eligible families with children.	22
4402-5000 Direct Medical Assistance (Medicaid)	Administers a program which provides free medical services to all financially and medically needy families and individuals.	71

4400-4000	Disabled Adults and Children Medical Care and Assistance (CommonHealth)	Provides health insurance coverage to disabled children and adults not eligible for Medicaid.	70
4403-2100			
	Emergency Assistance	Funds stays in hotels or motels for homeless families, pays for back rent and utility bills to prevent homelessness.	24
4400-1009	Employment and Training and Voucher Day Care	Offers service to AFDC recipients including career assessment, basic or college education, vocational skills training, supported work, and child care.	20, 35
4406-2000	General Relief	Provides cash assistance to income-eligible families and individuals not eligible for other state or federal public assistance programs.	25
4407-1010	General Relief Employment and Training	Funds a voluntary Employment and Training Program for General Relief recipients.	
4406-5000	General Relief Health Plan	Provides medical care for General Relief recipients through a comprehensive range of in- and out-patient care.	74
4406-3000	Homelessness Program	Supports 50 to 75 percent of the costs of the shelters operating in the state.	27
4400-1003	Medicaid Administration	Funds staff and support costs to operate the state's Medicaid Program.	
4405-2000	SSI Supplement	Provides funds to supplement federal benefits to low income disabled individuals including children.	97

Department of Revenue (DOR)

Account	Description	Page
1201-0160		
Child Support Enforcement	Assists custodial parents in obtaining child support orders and centralized collection of child support payments.	13

Department of Social Services (DSS)

Account	Description	Page
4800-0150		
Area Office Administration	Funds area office administration.	
4800-0250		
Area-Based Direct Services	Provides funding for DSS social workers and the majority of DSS social services including counseling, emergency shelter and family planning.	
4800-0015		
Central/Regional Administration	Funds DSS central office administration including the Commissioner's office and systems, and a Springfield support office.	
4800-0060		
Day Care	Provides state-supported day care services including day care subsidies to low-income working parents, protective day care slots for children at risk of abuse or neglect, and teen parents.	37
4800-0030		
Foster Care	Provides for foster care services including reimbursements to foster parents, clothing allowance, extraordinary expenses, and training.	49
4800-0025		
Foster Care Review	Provides foster care review on all children in substitute care.	49
4800-0041		
Group Care Services	Funds placements in residential programs for DSS children including the Adolescent Network.	50
4800-0050		
New Chardon Street Home	Funds operation of the New Chardon Street Home for Women, a temporary shelter for women and their children.	28

4800-1200	Partnership Agencies for Provision of Protective Services	Funds PAS agencies providing case management to children who have been abused or neglected.	52
4800-0020	Permanency Services	Funds the administration and implementation of DSS adoption services, including adoption subsidies and guardianships.	48
4800-1300	Prevention/Family Support	Funds community-based abuse and neglect prevention, and family support services.	45
4800-1040	Public/Private Partnership Program (PPPP)	Matches 25% private sector costs with 75% state funds for private sector programs.	
4800-1100	Social Workers	Funds social workers and supervisors.	50
4800-1500	Young Parents	Provides support and education programs to teen parents and their children.	52

Department of Youth Services (DYS)

Account	Description	Page
4200-0010	Administration	
	Funds DYS central office operations including legal services, coordination of detention, and classification hearings.	116
4237-1010	Community-Based Treatment Units	
	Provides funding for regional offices, case workers and community-based treatment services for clients.	1180
4238-1000	Consolidated Secure Facilities	
	Funds the detention, treatment and shelter programs operated by the Department and the Stephen L. French Youth Forestry Camp.	119

4202-0021		
Residential Care Program	Provides funding for residential and non-residential purchased services including group care, foster care and detention.	117

Executive Office of Communities and Development (EOCD)

Account	Description	Page
3745-1000		
Emergency Fuel Assistance	Provides assistance for fuel bills, up to a maximum payment set by federal guidelines, for households eligible for federal assistance but for which federal funds no longer exist.	18
3000-0301		
3000-0302		
3000-0303		
Gateway Cities Program	Provides grants and additional local aid to communities with large populations of non-English speaking recent immigrants.	
3722-8880		
Home Ownership Opportunity	Provides general revenue funding to the low-interest mortgage program of MHFA.	15
3722-9006		
Homelessness Prevention	Provides Chapter 707 rental assistance certificates to prevent homelessness.	
3743-2036		
Housing Services	Provides support through counseling, workshops and landlord/tenant mediation to prevent low income tenants and homeowners from losing their homes.	18
3722-9024		
Housing Subsidies	Funds state subsidies for low income tenants in both public and private housing.	16
3722-9001		
Neighborhood Housing Grants	Maintains a revolving fund for loans to low and moderate income homeowners for repairs and improvements.	15

3743-2037	Program to Alleviate Poverty	Supplements federal funds for Community Action Programs.	
3722-8878	Rental Development Action Loans	Funds existing gap between state and federal housing development program assistance and level of subsidy necessary for affordability.	14
3748-0010	Residential Lead Paint Grant and Loan Program	Funds grant and loans to low and moderate income homeowners and landlords for the removal of lead paint from residential properties.	
3722-9027	State Housing Assistance for Rental Production (SHARP)	Subsidizes private rental housing in which 25 percent of the units built or renovated are reserved for low income households.	17
3722-9018	Supportive Services	Funds remedial education, employment and training services, and day care development in public housing.	16

Executive Office of Economic Affairs (EOEA)

Account	Description	Page
9000-0104	Corporate Child Care	
	Provides technical assistance to private companies interested in establishing employee child care programs.	39

Executive Office of Health and Human Services (EOHHS)

Account	Description	Page
4000-1300		

Health Insurance Phase-Ins	Provides funding for pilot programs which will create health insurance packages for the uninsured.	78
4000-1050 Hospital Uncompensated Care Pool	Supplements hospital care costs for uninsured low income individuals.	76
4000-1000 Medical Services Administration	Funds administration of the Health Security Act phase-in, unemployed insurance, student health insurance, and the Labor Shortage Fund.	75
4050-0001 Office for Children Administration	Funds central Office for Children expenses, the Disabilities Law Center contract that provides representation for children in special education appeals and the Legal office.	45
4050-0002 Office for Children Children's Trust Fund	Supports community-based program development to prevent child abuse and neglect.	47
4130-0007 Office for Children Community Based Child Welfare Services	Provides funding for OFC staff in the Help for Children and Volunteers for Children Programs.	47
4050-0016 Office for Children Child Care Resource and Referral	Provides funding for a statewide network of Child Care Resource and Referral agencies.	35
4130-0006 Office for Children Day Care Training	Provides training for family day care, school-age and group day care workers.	34
4050-0005		

Office for Children Field Operations	Provides funding for OFC Licensing, Child Welfare and Family Support programs.	32,45
4000-0770 Provider Salaries	Provides funds to upgrade salaries for human service and day care providers.	
4050-0720 Teenage Pregnancy Prevention	Provides grants to communities for the prevention of teenage pregnancy and support to parenting teens.	58
4000-1060 Uncompensated Care, Community Health Centers	Funds care at community health centers for uninsured low income individuals and families.	77

Massachusetts Commission for the Blind (MCB)

Account	Description	Page
4110-1020 Medicaid for the Blind	Funds administration of the free medical care program for income-eligible blind persons.	93
4110-2040 Social Services for the Blind	Provides a range of services, including rehabilitative service such as skills training in cooking and clothes labeling for the newly blind, 70 percent of who are over 65 years of age.	93
4110-3010 Vocational Rehabilitation for the Blind	Provides job training services to certain blind individuals including evaluation, diagnosis, counseling, guidance and referral, vocational training, physical or mental rehabilitation, transportation and job placement.	

Massachusetts Commission for the Deaf and Hard of Hearing (MCDHH)

Account	Description	Page
4125-0100 Massachusetts Commission for the Deaf and Hard of Hearing	Funds the administration of and services provided by the MCDHH including information and referral, interpreters, case management, and independent living services. The Commission also evaluates the effectiveness of services provided for the deaf by various state agencies.	96

Massachusetts Rehabilitation Commission (MRC)

Account	Description	Page
4120-0012 Social Services	Provides social services to those severely handicapped individuals who are not eligible for vocational rehabilitation services but who can be helped to live independently within the community.	94

4120-0071		
Statewide Head Injury Program	Provides services to head-injured persons including technical assistance, case management, placement, and aftercare.	95
4120-0011		
Vocational Rehabilitation	Assists permanently disabled persons to maximum independence through job training and placement, personal care assistance, and independent living programs.	

Office for Children (OFC)

See Executive Office of Health and Human Services

Statewide Advisory Council
of the Massachusetts Office for Children

CHILDREN'S BUDGET FY'93

*Our Forgotten Commitment
to
Children*



April 1992

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Massachusetts Office for Children Statewide Advisory Council

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Dear Friends of Children:

Pursuant to its mandate in Chapter 28A of the Massachusetts General Laws "to advise on policy, planning, and priorities of need in the Commonwealth for services to children", the Statewide Advisory Council (SAC) to the Massachusetts Office for Children issues its eighth annual analysis of the proposed state budget and its impact on children's services, The FY'93 Children's Budget: Our Forgotten Commitment to Children.

In the late 1980's Massachusetts led the nation in assembling a network of quality services for children and families. But sadly, as the "Children's Budget" has successfully documented over the past four years, efforts to help children and families have been seriously curtailed by budget reductions and service restrictions.

The Weld Administration has taken some positive steps, particularly to recognize the importance of prevention. It makes both human and fiscal sense, for example, to invest in preschools and maternal and child health programs now, as the Governor proposes, rather than spend more on costly hospitalizations and other interventions later.

Yet the budget proposed by the Weld Administration for the next fiscal year is disappointing. In a year when state revenues are increasing beyond projections for the first time in four years, advocates for children have a right to expect that critical services for children would be at least partially restored. Instead we have a proposed budget which, with only a few exceptions, includes modest restorations at best, and in a few cases proposes further dismantling of the children's services system.

The dismantling of the Office for Children, the only state agency charged with monitoring the overall well-being of children, is symbolic of the treatment of children and children's services over the past four years. In that period the budget for OFC has declined by more than 50 percent. House 1 proposes to eliminate what is left of the Office for Children and transfer its remaining functions to several other agencies.

The SAC firmly believes in the public investment in children as part of any plan to ensure a bright economic and social future for Massachusetts. In addition to health

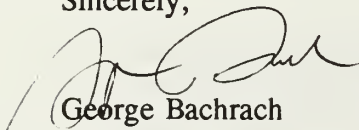
prevention programs and public education, there are other areas that require additional resources from the state, particularly income assistance for low income children and families, child care, and services to children who are mentally retarded, disabled, or mentally ill.

The FY'93 Children's Budget attempts to analyze the most important accounts in House 1 which fund children's services. Comparison of appropriations between FY'92 and those proposed for FY'93 is difficult because of the program budget format used in House 1. The Children's Budget attempts to make these comparisons within the narrative description for each program.

In a year when state revenues are projected to increase, the SAC believes that it is incumbent upon state government to begin to restore some of the essential public services which have been lost over the past four years. The SAC's priorities for the FY'93 budget include support for the **Family Preservation Budget** which has been drafted by the Massachusetts Children's Advocacy Network. The Preservation Budget represents a modest additional investment which would assist state officials in shifting the emphasis of the children's services system toward prevention and family preservation and help ensure a better future for thousands of Massachusetts children and families.

The Statewide Advisory Council hopes that this analysis contributes to the Legislature's and the public's understanding of the importance of public expenditures for children and families.

Sincerely,



George Bachrach
President

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FY'93 Family Preservation Budget Statewide Advisory Council & Children's Advocacy Network

Introduction

The Fiscal Year 1993 budget presents the Commonwealth with an opportunity to make a modest investment in the future of our children and families. Although, the SAC and the Children's Advocacy Network applaud the Weld Administration's publicly articulated emphasis on prevention and family preservation in the delivery of human services to children and families, we are troubled by diminishing funding in other areas. This new emphasis has the potential to place Massachusetts in the mainstream of the growing national consensus that the most effective means of delivering services to at-risk children and families is by building on their strengths and providing them with the means to remain independent and living in their own community.

The SAC and the Network make the following budget recommendations to state officials involved in the preparation of the FY'93 budget. These items represent an initial investment in a comprehensive service system for children and families which is community-based, preventive in nature, and provides families with the means to become and remain independent.

Restoration of Children's Clothing Allowance

FY'93 DPW AFDC Account: 4403-2000 SDG: WEL-0002

House 1 includes no clothing allowance for the 205,000 children who live in families on AFDC. The reduction of \$150 per year per child represents a 4 percent decrease in income for a family of three receiving the basic AFDC grant, bringing their income 44% below the federal poverty line.

Cost over House 1: \$15.4M

Family Preservation Services

FY'93 DSS Account: 4800-0000 SDG: DSS-0001

The SAC supports the DSS shift in emphasis to family preservation services. The \$25 million in an EOHHS reserve account (4000-0100/EHS-0003) should be appropriated directly to DSS for the purposes of funding community-based family preservation pilot projects. DSS

family preservation projects should be accessible to all at-risk families in the community and provide families with on-going support to enable them to remain together. The provision of these funds should not divert resources needed by DSS to provide adequate foster and group care in FY'93.

Cost over House 1: none

Child Care Subsidies

FY'93 EOHHS Account: 4000-0100 SDG: EHS-0002

The FY'93 budget should go further to restore the 15,000 child care subsidies cut from the system over the past four years and provide additional support to the child care providers. House 1 includes a modest increase in protective child care subsidies of \$5M to pay for 1,500 more slots. The SAC supports an additional appropriation for the purpose of increasing resources available for low income families receiving child care assistance by \$5M, and increasing the rates paid to providers by 5 percent.

Cost over House 1: \$5 million

Maintain Independent Office for Children

FY'93 OFC Account: none proposed SDG: none proposed

The Office for Children should be maintained as an independent agency monitoring the well-being of children and families. Functions should include all licensing, policy analysis and service coordination, and the Children's Trust Fund.

Cost over House 1: \$1.5 million

Preventive Health Programs

FY'93 DPH Account: 4500-0000 SDG: DPH-0002

FY'93 DPW Account: 4402-5000 SDG: WEL-0008

The Legislature should support the House 1 recommendations to increase important preventive health programs which serve children and families, including the Women, Infants, and Children (WIC) program, Healthy Start, Early Intervention services, the pediatric health initiative, and family planning, by a total of \$10M. The Teen Pregnancy Prevention Challenge Fund should at least be level funded. Medicaid services for 9,000 youth age 18 - 21 years should be restored.

Cost over House 1: \$5M (state share of Medicaid appropriation)

Children's Mental Health

FY'93 DMH Account: 5000-0000 SDG: DMH-0002

The Legislature should restore a \$1.5 million reduction in the base budget for children's mental health services. Language should be included in the budget which allows DMH to retain the revenue generated from children's mental health programs in order to establish a full continuum of care for children and youth mental health services.

Cost over House 1: \$1.5 million

Services to Children who are Mentally Retarded

FY'93 DMR Account: 5900-0000 SDG: none proposed for children

DMR should establish a separate service delivery group for services to children who are mentally retarded and their families, in order to ensure that services to this population remain a priority of the Department. Less than 3 percent of the DMR budget is expended on children in FY'92. The SDG should include funding for respite care for the developmentally disabled and the children's services program.

Cost over House 1: none

Public Education

FY'93 DOE Accounts: 7000-1000,4000 SDG's: DOE-0001,0005,0008,0009,0010

The Legislature should support an increase of \$200 million in public education spending in FY'93. The essential skills program (includes dropout prevention), which has been reduced by 90% in three years, should be increased by at least \$2 million. Education reform efforts should be based on the need for equitable financing and increased resources for troubled schools.

Cost over House 1: none

Our Forgotten Commitment to Children: The Impact of the Past Four Years

Four years ago Massachusetts was doing more to support children and their families than any other state in the nation:

- The public **Child Care** system provided subsidies to 32,000 low and moderate income children;

The child care infrastructure was second to none, including high quality licensing, training programs, and a Resource and Referral Network that made child care services more accessible to parents and was the hub of their community's child care network;

- **Protective Services** included an impressive array of preventive and community-based programs to assist all types of families and the **Foster Care system** was recognized nationally for its innovative training and support for foster parents;
- Massachusetts assembled a **children's health care** system where Massachusetts was the first state to subsidize the WIC program; the first state to start our own program to provide prenatal care for low income women not on Medicaid; the first state to pass a universal health care law, which also established important new health programs for disabled children.
- **Public Assistance** benefits rose 57% in Massachusetts between 1984-1988, providing a relatively strong cushion against the worst ravages of poverty for children and families;
- Through **Chapter 188 and increased state aid for education**, Massachusetts began to redress the historic inequities in public school financing and developed a number of innovative programs to provide early childhood education, prevent dropping out of school, and train teachers.
- We had the most progressive **Juvenile Justice** system in the country, with the lowest juvenile incarceration rate.
- **Mentally ill children** were removed from adult mental health wards and services for severely disturbed youth were greatly expanded.

- In 1990, a national study on the well-being of children across the nation, **The Kids Count Data Book**, ranked Massachusetts first among all states in its comparative performance in ten major categories of services to children.

As we are all aware, things have changed.

- Since 1988, the number of **child care** subsidies has been reduced by 15,000, a 43% reduction. State funding for training and resource and referral has been eliminated; licensing resources have been cut way back.
- Within the **protective services system** preventive and family support services are available only for the most troubled families, all open referral services to families who are under stress, but are not subject to allegations of abuse or neglect of children, have been eliminated; the number of children in foster care is skyrocketing, support and training for foster parents is in decline.
- Last year Massachusetts passed a law that will incarcerate juveniles as young as 14 as adult criminals.
- State aid to education was slashed by close to \$1 billion; thousands of teachers were laid off, classes closed and consolidated, dropout programs cut 88%, programs to train teachers and develop innovative curricula were scrapped.
- Support for **poor and low income families** suffered because there has been no cost of living adjustment for 4 years; the clothing allowance dropped; Emergency Assistance for all AFDC recipients has been restricted, more families are homeless; 1500 fewer rent subsidies are given out this year; 9,600 clients were cut this year from the Emergency Aid programs (formerly General Relief), including 3,600 families.
- While some health programs remain well-funded, last year the Commonwealth cut 9,000 youth aged 18-20 from Medicaid and cut substance abuse treatment for 6,000 clients.
- In a move that symbolizes the lack of commitment to children in Massachusetts, the state has eliminated all advocacy and family support services provided for 20 years by the **Office for Children**, stilling the only independent voice for children within state government.
- In this year's **Kids Count** report, Massachusetts fell in the national ranking to seventh. More troubling is the fact that in a majority of the

indicators measured in the report, Massachusetts shows a clear downward trend in the well-being of its children.

All this is happening at a time when the needs of our children remain great:

- More Massachusetts children, almost 20%, live in poverty, up from 14.4% in 1989.
- Child abuse reports rise 15% or more annually
- Hunger is a reality for one in four children under 12 in Massachusetts; a recent study by Project Bread and other groups found that 195,000 children in the state were hungry or at risk of being hungry;
- Standardized test scores, basic skills and SATs are fell in recent years. In October of 1990, 21 percent of the state's ninth graders failed at least one of the three basic skills tests in reading, writing, and math; in the previous year, 18 percent failed.
- The birth rate for teens aged 15 to 19 years is increasing; in 1989 it was at 38 births per 1,000 teens, in 1983 the rate was 27.5 births per 1,000 teens.
- As of January 1, 1992, 516 children born to mothers known to have tested positive for the AIDS virus had been reported to DPH, a substantial increase from 381 children reported as of April 1, 1991.

All the more troubling is that this is occurring in a state that remains relatively well-off compared to others in the nation. We **can** afford to do better for our children. We **cannot** afford to continue to turn our backs on our young, who represent the future of the Commonwealth.

Notes on The FY'93 Children's Budget

Format

The State budget is an important tool for making public policy. It describes how billions of public dollars are to be spent during the state's fiscal year, which begins July 1 and runs through the following June 30. The Children's Budget analyzes the implications of the budget proposed for the upcoming fiscal year for children's programs.

The FY'93 Children's Budget has been reorganized from previous year's formats to accommodate the program-based budget format proposed by the Governor in his budget message for FY'93, House 1. The Governor's budget combines and reorganizes many line items. House 1 also includes a new budget category, the "Service Delivery Group", or "SDG". In general, SDGs are groups of programs within one agency which have similar goals and constituencies. These programs are grouped together under a single appropriation and are assigned "output goals" in House 1.

The FY'93 Children's Budget organizes programs that provide services to children and families by the following categories, in that order:

Service Area -- e.g. Public Education

Funding Agency -- e.g. Department of Education

FY'93 Account -- e.g. Statewide Programs, Account: 7010-4000

Service Delivery Group -- e.g. Curriculum and Student Achievement, SDG: DOE-0008

Each Service Delivery Group is discussed in two parts:

Funding: a discussion of the proposed funding in House 1 for that service, as compared to funding levels for the service in previous years.

Services: a discussion of the level of service that would be provided if House 1 funding is approved, as compared to services provided in previous years.

FY'93 Budget Process

The FY'93 budget process is expected to be delayed this year. The House Ways and Means Committee is expected to issue its proposed FY'93 spending plan in early May, with debate in the full House soon to follow. The Senate Ways and Means Committee and the full Senate will act in June. In late June-early July, both branches will negotiate a final FY'93 budget in consultation with the Governor. When the budget is enacted, the Governor has ten days to sign it. The Governor may veto individual line items or parts of line items. The Governor also has the power to withhold parts or all of individual appropriations, pending the availability of funds.

The FY'93 Children's Budget is intended to inform legislators, child advocates, and members of the public, of the implications of proposed spending levels on critical programs that serve children and families.

BASIC HUMAN NEEDS

Introduction

According to newly released data from the 1990 US Census Center, Massachusetts median family income increased by 17 percent in the 1980's, from \$37,972 to \$44,367. The growth is attributed to a work force which was better educated and better employed than in 1980. However, despite income growth that far surpassed the national average, the poverty rate for families with children stayed essentially the same. In 1990, 11.1 percent of Massachusetts families with children were poor; in 1980, 11.6 percent of Massachusetts families with children lived in poverty. A sampling of other statistics backs up this picture of persistent child and family poverty.

- In 1990, 19.2 percent of individual Massachusetts children were poor, up from 14.4 percent in 1989. (Center for Labor Market Studies)
- Hunger is a reality for one in four children under 12 in Massachusetts, a total of 195,000 children. On January 1, 1991, 80,000 children under 12 were hungry; 115,000 more children under 12 were at risk of being hungry. (Project Bread, DPH, MA Anti-Hunger Coalition, 1991)
- In this year's **Kids Count** report, Massachusetts fell in the national ranking to seventh. In 1990, Massachusetts was ranked first. One of the greatest drops was due to the increase in the number of children in poverty. In 1991, Massachusetts ranked 11th in the nation; this year, Massachusetts ranks 17th. (Center for the Study of Social Policy)
- In 1990, 38 percent of Massachusetts' poor families with children lived in Boston, Worcester, Springfield, Lowell and New Bedford, up from 35 percent in 1980. About 17 percent of the state's families with children live in those cities. (1990 US Census data)

Although there has been recent improvement in economic indicators, since December, 1988, Massachusetts has lost 368,000 jobs, roughly one in nine--a worse record than any time since the 1930's depression. (Bureau of Labor; Northeastern University's Center for Labor Market Studies)

Increases in child poverty are due in part to budget cuts which have had a disproportionate affect on the poorest families and children. According to a study released in January by the Center on Budget and Policy Priorities, Massachusetts welfare recipients lost more benefits in 1991 than the poor of any state except Michigan. Hardest hit were general assistance programs for poor adults who don't qualify for other types of aid. The national survey found

that Massachusetts also made the deepest cuts of any state in programs to enable low-income people to find affordable housing. According to Steve Gold, Director of the Center for the Study of the States, who co-authored the survey, "cash assistance for the poor constitutes only 5 percent of state spending nation wide. Nevertheless, in many states, low-income families were hit much harder than people at other income levels, losing more in benefits and also contributing a large share of their income in increased taxes."

Department of Public Welfare Budget

The Department of Public Welfare publishes an annual "Standard Budget of Assistance" (SBA), which calculates the minimum income necessary for a family to maintain a minimum living standard on its own. The budget considers shelter and utility bills, food, clothing, personal care, transportation, and other expenses. The table below shows the Standard Budget of Assistance for a family of three in 1991 in comparison to AFDC grants. DPW has not yet released the 1992 "Standard Budget of Assistance."

<u>Category</u>	<u>SBA</u>	<u>AFDC Grant*</u>
Living in private housing Greater Boston or Cape Cod	\$14,054	\$6,948
Living in private housing (elsewhere in Massachusetts)	\$13,074	\$6,948
Living in public or subsidized housing (anywhere in Massachusetts)	\$10,953	\$6,468

*This figure does not include an annual clothing allowance; this was reduced in FY'92 and is eliminated in House 1 for FY'93. This total also does not include food stamps and other benefits identified in the SBA report.

Excluding the clothing allowance, based on 1991 figures, AFDC for recipients living in private housing in Greater Boston are over 50 percent below the Welfare Department's standard budget of assistance, and 38 below the federal poverty level. At 1992 levels, AFDC recipients in similar situations will be 40 percent below the federal poverty level.

Aid for Families with Dependent Children/AFDC FY'93 Account: 4403-2000 SDG: WEL-0002

There have been no cost of living increases for children and families receiving financial assistance though Aid for Dependent Children since 1988. In fact, this year benefits were cut when the annual \$150 child clothing allowance was eliminated from the budget. The

legislature restored \$75 for the clothing allowance this year, but House 1 eliminates the clothing allowance again in FY'93. Family reunification benefits were eliminated in FY'92. If a child had to be temporarily removed from a home (for up to seven months), the AFDC grant would continue as if the child were still living at home. Without this portion of the grant, AFDC families might not have enough money to pay the rent or maintain a home for the child to return to.

The AFDC caseload has been increasing since 1989. In FY'88, the average monthly caseload was 84,297. In FY'91, the average monthly caseload climbed to 100,846 and is projected at 111,580 for FY'92.

Funding: House 1 recommends a \$725.8M appropriation for AFDC; and assumes an additional \$83.3M in child support collections from the Department of Revenue to support AFDC. This is considerably higher than last year's collections and seems unrealistic.

Services: The Governor's budget recommendation eliminates the clothing allowance and assumes benefit levels will be the same as FY'92. Supplemental benefits are included; family reunification benefits are excluded. House 1 projects an annual average caseload of 122,013 in FY'93, based on an annual rate of increase similar to FY'92. Up to \$4M is set aside for "independent child care services" -- at the rate of \$2.00 an hour. This is the only child care funding available to those who want to enroll in education or training programs if participants choose self-arranged care as required by federal Jobs regulations.

Emergency Assistance

FY'93 Account 4403-2100 SDG WEL-0006

Emergency assistance (EA) payments, a major resource for homeless families or those at risk of homelessness, have been restricted over the past three years. In FY'90, the legislature reduced from four to three the number of months for which back rent and utilities can be paid. In FY'91, advance rent payments were restricted so as not to exceed the AFDC grant level. In FY'92, advance rent payments and security deposits were eliminated, as were moving and storage expenses. Last year, about 16,067 families made use of advance rent and security deposits.

Funding and Services: House 1 recommends FY'93 EA funding of \$43.1M, an increase of \$2.1M from projected FY'92 spending. The House 1 level of funding assumes that EA will cover emergency shelter for families, rent and utility arrearages, disaster benefits, and DSS assessments. In FY'91, about 55 percent of AFDC families used EA.

Emergency Aid to the Elderly, Disabled and Children (EAEDC)

FY'93 Account 4408-1000 SDG: WEL-0004

Last year a number of client groups were eliminated from what is now called Emergency Aid to the Elderly, Disabled and Children (EAEDC)--formerly General Relief (GR). Eliminated were undocumented immigrants, ex-offenders, persons over age 45 with no recent work history, those in substance abuse programs, and children in families where there is some income, whether or not it is available to the child. Stricter standards were adopted for those who are disabled and do not qualify for SSI. So far, 10,200 people have lost benefits as a result of EAEDC changes, 14,840 cases have been approved, close to 8,200 former GR cases are waiting for a decision and 500 cases are currently being processed.

Funding: In FY'91, the cost of cash assistance and medical benefits for GR cases was \$193M, projected to rise to \$240M in FY'92. To reduce costs, the Governor and the legislature agreed to cut the GR budget, restrict eligibility requirements, and eliminate or restrict benefits. The FY'92 appropriation of \$113M reflects these cuts. House 1 recommends funding of \$96.6M; savings are projected at \$67.2M from the FY'92 funding level and some \$59M from initial FY'93 current services estimates.

Services: House 1 funding assumes an average caseload of 24,700. In FY'92 the caseload was 38,000, up from about 30,000 in FY'91. House 1 proposes to cut another 9,500 individuals from the program next year, including all high school students living on their own as well as children and families who do not qualify for AFDC. House 1 also recommends a 10 percent cut in the benefit level from a monthly grant of \$304 to \$274. For FY'92, the annual clothing and the emergency relief program were eliminated, and health care severely restricted.

Executive Office of

Communities and Development (EOCD)

FY'93 Account 3000-0000

In the midst of increased unemployment and persistent economic problems, Massachusetts programs for low income renters and home owners have been seriously curtailed. Eliminated in last year's budget cycle were support services such as advocacy, education and job training for public housing tenants; state subsidies for community action agencies, which provide information and advocacy to low-income people; the Commonwealth Service Corps, a work experience program that helped both welfare recipients and nonprofit organizations; state support for neighborhood housing services corporations, which maintain a revolving fund for home repair and improvement loans to low and moderate income homeowners who

do not qualify for conventional financing; state support for weatherization; and housing abandonment funds for pre-development work on deteriorated properties.

Programs that support loans and mortgages to develop low income housing (private development SDG-0009) have been cut over the past few years. No new commitments under the SHARP program (State Housing Assistance for Rental Production) have been made since FY'87. With the exception of a \$5M bailout of already occupied projects which had run into financial trouble, appropriations only make good contractual obligations from prior years entered under SHARP's \$38M authorization ceiling. Funded at \$31.4M in FY'92, the program needs nearly \$5M to cover its current contractual obligations.

HOP (homeowner opportunity program), which assists low income first-time home buyers, has been restructured and cut. In FY'91, this program received \$2.4M; House 1 recommends \$1M, the same level as FY'92. RDAL (rental development action loans), aimed at keeping affordable housing available after federal mortgage restrictions expire, will receive enough money to fund existing commitments but will not be able to develop new contracts.

Housing Subsidies

SDG OCD-0007 and OCD-0008

The Housing Subsidies account (FY'92 #3722-9024) funds the state housing subsidy program for public, family, elderly and handicapped housing. The Chapter 707 rental assistance program is also part of this account. Chapter 707 pays private landlords the difference between maximum allowable rents set by the state and 27 percent of the tenant's household income, set at 25 percent prior to this year. The FY'92 budget increases the tenant contribution to 30 percent on July 1, 1992.

The Chapter 707 program has been Massachusetts' permanent remedy to homelessness. EOCD has issued approximately 19,000 Chapter 707 certificates, but only about 17,000 remain in use. Of these, 11,000 are rent certificates issued to low income families who bring the certificate with them when they find an apartment. Another 6,000 are "project-based" subsidies committed to a particular affordable housing development. Eligible low income families acquire these subsidies when they rent units in the new or renovated affordable housing complex. For FY'91 and FY'92, 707 certificates were "frozen" as they turned over, accounting for the drop in certificates available to low income people. Over 100,000 families are on waiting lists for subsidized housing and may wait as long as ten years before receiving a subsidy.

Funding: The Governor's budget splits the old line item (#3722-9024) into two SDGs and recommends a total appropriation of \$97M. This account had been funded at close to \$149M in FY'90. The housing subsidies account (OCD-0007), which partially subsidizes local housing authorities, received \$22,477,000 in FY'92; House 1 recommends \$22,040,181 for FY'93. The

biggest cut is to OCD-0008, the rental assistance program. In FY'92, this account was funded at \$98.4M; House 1 proposes \$75.6M, a cut of \$23M.

Services: The Governor proposes to cut costs by reducing the number of people who receive rental assistance by 1,500 next year and by increasing the percent of rent tenants pay. Tenants were to pay 30 percent on July 1, 1992; House 1 proposes to increase this to 35 percent. Households which pay for heat and utilities separate from rent (about three quarters of those in the program) will pay 30 percent, but there is no provision for a utility allowance. Unless the utility allowance is restored, tenants could pay between 50 and 60 percent of their income on rent. Advocates believe that several hundred families per month may be unable to pay this increased rent and could become homeless.

The Governor also proposes to save \$1.5M by having EOCD convert rent vouchers to 707 certificates. The maximum allowable rent paid to landlords will decrease an average of \$30 per month. This is on top of the reduction of \$50 per month this year. The reduction will have a serious affect on private developers with many low-income tenants, who had been counting on a set amount of funding from the state especially when higher end rents have fallen.

Housing Services

SDG: OCD-0005

This homelessness prevention program provides workshops and counseling on managing finances and properties for tenants and landlords. It also funds tenant-landlord mediation programs. According to EOCD, housing services prevented 3,600 families from becoming homeless in FY'90 and assisted over 18,000 low-income families to maintain stable housing arrangements.

Funding and services: Funded at \$2.05M in FY'89, this program has been cut consistently over the years dropping to \$300,000 in FY'92 (FY'92 #3743-2036). Since then, the number of housing services programs has dropped from 22 to 14. Housing services estimates that for every \$1 it spends on eviction prevention, it saves the state over \$52 in shelter costs. House 1 recommends level funding of \$300,000 for FY'93. The program is further jeopardized by the projected loss of \$500,000 in federal community development block grant money, not replaced by the Governor's budget. Without additional funding, Housing Services expects to prevent homelessness for only 848 clients in FY'93.

CHILD CARE

Introduction

The major issue in the Commonwealth's support for child care is the loss of child care subsidies for low income families. In FY'89, the Commonwealth provided subsidies to more than 30,000 families. Advocates and the Administration differ on the number of subsidies to be provided in FY'92, with advocates placing the figure at 17,200 families and the Executive Office for Health and Human Services at 22,049 subsidies. While the reason for difference is unclear, both figures represent a substantial decrease in subsidies over time.

State support for other key parts of the child system continues to erode. State funds no longer support training programs for child care workers or information and referral by the Child Care Resource and Referral Agencies, which received \$1.8M in FY'89. The licensing program of the Office for Children has been cutback dramatically. The average licenser caseloads for group day care centers is about 90, for family day care it is about 400; levels which have not been seen since the early 1980's before the program was improved and expanded as part of the Day Care Partnership Initiative.

House 1 eliminates the Office for Children (OFC) as a separate agency and moves the licensing of child care providers to the Executive Office of Consumer Affairs (EOCA), Division of Registration. It also calls for privatization of licensing.

In 1992 the state will implement Chapter 521, legislation passed in 1990 which requires employers of 50 or more persons who wish to contract with Massachusetts to choose among several means of helping employees pay for child care.

Reorganization of Child Care Services

Officials involved in the delivery of public child care and early childhood education services agree that the current system, which involves five public agencies, needs to be reorganized and streamlined.

House 1 transfers all programs that provide child care subsidies in FY'92 by the Department of Social Services and the Department of Public Welfare, to the Executive Office of Health and Human Services. The EOHHS supports a mixed system of vouchers and contracted care, with some dollars shifted from contracts to vouchers, as a means of supporting parental choice, and additional dollars for protective services child care.

Representatives David Cohen and Kevin Fitzgerald and the Legislative Children's Caucus are drafting legislation which would transfer all direct child care subsidies and support services to a new Child Care Division in the Department of Education. The Cohen/Fitzgerald

proposal also calls for substantial increases, about \$5 million, in public expenditures on direct child care and support services. This proposal supports a mixed child care system, with subsidies provided through both vouchers and contracts. It would retain the current dollars for contracts to maintain stability in the child care system, and put new money put into vouchers for income-eligible families. The bill will also increase resources available for child care licensing, Child Care Resource Agencies, and will provide a 5 percent rate increase for child care providers.

Child Care Programs

Licensing of Child Care Providers

FY'93 EOCA Account: 9230-0001 SDG: REG-0002

Funding and Services: Funding for child care licensing at the Office for Children has been reduced drastically over the last several years. Expenditures in OFC's 4130-0005 account for FY'90 totalled \$7.2 million. House 1 reduces the budgetary appropriation for licensing to \$4.23M. The reduction is proposed in spite of the fact that the FY'92 level was insufficient. A small supplemental budget passed within the last month. If a pending supplemental budget of \$523,000 does not pass, OFC will have to shut down in May of 1992. House 1 eliminates the OFC line item (FY'92 #4130-0005) and creates a child care licensing service delivery group at Consumer Affairs (REG-0002). At the proposed House 1 level, licensing of family day care would become a registration process; resources would not be sufficient to allow visits to family day care homes as part of the licensing process.

In addition to the budgetary appropriation, child care licensing is supported by revenue retained from licensing fees. In a positive move, House 1 lowers the retained revenue ceiling from its unrealistic FY'92 level of \$954,000 (FY'92 #4130-0008) to a level of \$594,000 included in the Consumer Affairs SDG. The FY'92 level had left OFC dependent on income it could not generate despite an increase in fees to providers that was required by the FY'92 budgetary language.

Child Care Subsidies

FY'93 Account: 4000-0100 SDG: EHS-0002

Funding: House 1 transfers funding for public child care subsidies to EOHHS (EHS-0002). A total of \$129M in federal and state funding is proposed for both contracted and voucher day care, an increase of \$10 million over FY'92. In FY'90 the Commonwealth spent \$147.9M on child care subsidies through DSS and DPW. DSS issued an RFP for \$56.5M in contracted care for FY'93; the remaining funds will be allocated through the voucher system. Subsidies

for Mass JOBS participants are level funded. These subsidies enable women on AFDC to pursue education and job training, and provide transitional support during their first year of work.

Services: The Administration proposes to provide child care to approximately 9,532 low income children, 4,390 protective children, and 8,000 Mass JOBS participants. This projects to an increase of 1,500 protective slots over FY'92. For Mass JOBS participants, it is expected that contracted dollars will shift to vouchers, increasing available vouchers but not total child care subsidies available.

Mass JOBS participants may also arrange "independent child care services," for example, with relatives, at the rate of \$2.00 an hour. Up to \$4M is allowed for this purpose in the AFDC account (see Basic Needs).

SUPPORT FOR FAMILIES

Introduction

The child welfare system in Massachusetts is almost in a state of siege due to limited resources and the political pressures inherent in handling thousands of sensitive cases every year. The number of reports of abuse and neglect to the Department of Social Services (DSS) continues to rise every year. In 1991 there were 88,748 reports of child abuse and neglect, up from 82,831 in 1990. In 1983 there were 36,258 reports of abuse.

The Department has also been placed on the defensive by the large amount of public attention given to the cases of several children in foster care, which were allegedly mishandled by DSS caseworkers.

At the end of 1991, DSS reported that 12,363 children under 18 were placed out of their homes in foster homes, group homes, and other placements, representing 28.4 percent of the children in the DSS caseload. In 1990, there was a similar number of children in placement, 12,345; but this figure represented 25.7 percent of the child caseload. The DSS caseload for families has actually declined; 23,623 at the end of 1991, down from 25,856 in one year. These figures indicate that DSS resources have been shifted dramatically toward out of home placements and away from family support services.

In response to this trend, DSS plans to follow the growing national consensus within the child welfare profession which indicates that the most effective child welfare practice emphasizes family preservation and community based preventive services. The Department proposes a shift in emphasis away from foster care and group care, towards family preservation services.

Advocates applaud the DSS move and support sufficient resources to DSS to make it happen. But many child advocates are concerned about two aspects of the DSS plan. First, the services will remain available only to children and families who are in the DSS caseload, i.e., with supported investigations of abuse or neglect. Secondly, advocates are concerned that DSS has moved to adopt a series of rigid time frames which indicate how long certain types of cases may remain open.

The SAC is co-sponsoring an ad hoc group effort, the Special Committee on Family Support and the Child Welfare System, which is drafting a series of recommendations to overhaul the entire children's services system in Massachusetts. Later this year the committee will propose a model community-based child and family services system which delivers an array of services through family resource centers and which is:

- available to all families in a community, and tailored to the needs of diverse populations in Massachusetts;

- builds on family strengths, rather than penalizing them for their weaknesses;
- will be available to children with other problems, including across disabilities;
- proposes the separation of child protective investigations from the delivery of preventive services.

Elimination of the Office for Children

House 1 eliminates the Office for Children as a separate agency that monitors the well-being of children in Massachusetts. OFC's licensing division (see Child Care) and the Teen Pregnancy Prevention Challenge Fund (see Health) are transferred to the Executive Office of Consumer Affairs and the Department of Public Health respectively. The remaining OFC family support related functions, the Children's Trust Fund and the last vestiges of its advocacy function -- the Interagency Team and the Statewide Advisory Council -- are transferred to EOHHS.

Outside section 122 of House 1 creates a new government entity within EOHHS, a "State Child Advocate". The Child Advocate will be responsible for coordinating the Interagency Team and other functions involving OFC's current role in coordinating children's services. The SAC's advisory functions are shifted to the Child Advocate from the Commissioner of OFC.

Department of Social Services Programs

FY'93 Account: 4800-0000

- The House 1 appropriation for DSS is level funded at \$403.7M
- DSS would increase spending on family preservation services by \$25M
- Protective services are reduced by \$16M, a 7 percent decrease.

The DSS FY'92 accounts are reorganized into three service delivery groups, family preservation, protective services, and permanency services.

Family Preservation

SDG: DSS-0001

Funding: House 1 increases funding for family preservation services by \$25M. The amount of the increase is held in a reserve account (EHS-0003) in EOHHS, to be spent if the Department develops a satisfactory plan for family

preservation. Other family-based services are level-funded at a total of \$24.8M, including family support, women in transition, young parents, and the New Chardon Street family shelter.

Services: DSS proposes to establish four family life centers across the state, which will provide intensive family services to clients referred by area offices. Area-based family services are broken into two categories: 1) Family Stabilization Network -- parent aides, parent education, counseling, home health aides, drug screens, and others; 2) Family Unification Network -- shelter, sexual abuse treatment, substance abuse treatment, and respite care. Each area office will award a \$100,000 contract to a private agency to establish a family support center, to provide family advocacy, self help substance abuse, transitional day care, peer supports, housing I&R, and skill builders. The Department's output measures for FY'93 require at least 50 percent of all cases to meet the new time frame guidelines.

Child Protection

SDG: DSS-0002

Funding: Protective services are funded at \$225M, a 7 percent decrease from FY'92. The decrease reflects DSS' new emphasis on family preservation. Child protection services include foster care (\$83M), group care (\$71M), protective services contracts (\$6.9M), and social workers (\$60M).

Services: Child protective services will be delivered statewide through the Family Reunification Network. Specific services include foster care, group homes, special needs foster care, 766 placements, tracking/managed care, and Commonworks. The Department's output measures require 75 percent of children in placement be returned home.

Permanency

SDG: DSS-0003

Funding: Permanency, or adoption services are funded at \$29.2M, a \$2.3M increase over FY'92.

Services: DSS places about 500 children per year in adoptive homes, but identifies 1,500 each year who need adoption. There are currently 3,500 children at various stages of completion of the adoptive process.

CHILD HEALTH

Introduction

Massachusetts has been a national leader in health care. Yet a study by the National Association of Community Health Centers released last month found that one in eight Massachusetts residents--774,000 people--had inadequate or poor access to primary medical care. Massachusetts ranked 17th out of the 50 states. Birth statistics from 1989 (the most recent available) and other data from the Department of Public Health (DPH) also confirm advocates' belief that we must do better:

- The infant mortality rate for 1989 was 7.6 per 1000 births. For children born to black mothers, however, it was 18.8 per 1000 births.
- In 1989, more than 20 percent of Massachusetts births--and 54.8 percent of births to teens--were to mothers who did not receive adequate prenatal care. Minorities, women without private insurance, and smokers also were less likely to receive adequate care. In 1980, 82.7 percent of white mothers compared to 73.2 percent of black mothers, received adequate care. Since then, the percentage of white mothers receiving adequate care has remained relatively constant, but the gap between white and black mothers has widened. Women with inadequate prenatal care are more likely to have babies with low birthweight and other conditions associated with disabilities.
- In 1989, 7,733 births were to women under age 20. The birth rate for teens aged 15 to 19 has been increasing. Between 1980 and 1989, it was lowest at 27.5 births per 1000 teens in 1983 and highest in 1989 at 38 births per 1000 teens.
- Teens aged 15 to 19 accounted for 23 percent of the sexually transmitted diseases (STD)--gonorrhea, syphilis, and chlamydia--reported in Massachusetts in 1990. This percent held steady in 1991 despite an overall decrease in STD this year. From 1985 to 1990, the incidence of STD reported among Massachusetts teens doubled, a particularly alarming trend given the increasing incidence of AIDS.
- As of January 1, 1992, 516 children born to mothers known to have tested positive for the AIDS virus had been reported to DPH, a substantial increase from 381 children reported as of April 1, 1991.

Department of Public Health Budget

FY'93 Account: 4500-0000

For the most part, DPH child and family programs fare well in House 1. Savings from the FY'92 closure of three public hospitals are targeted for prevention services in FY'93. Overall, the House 1 recommended budgetary appropriation for DPH is \$164.5M plus \$57.9M in retained revenue. This compares with a FY'92 appropriation of \$155.8M: \$143.1M per House 1 plus the FY'92 funding of \$10.7M for the Vaccine Trust Fund and \$2M for the Teen Challenge Fund. The last two items are added to make FY'92 and FY'93 comparable. Both are included in House 1's FY'93 DPH appropriation but not in DPH's FY'92 figures. FY'92 retained revenue was \$63.5M, including an anticipated WIC supplemental budget, now pending.

DPH Family and Community Health Services

SDG: DPH-0002

House 1 proposes \$10.1M in expansion for several programs in the new Family and Community Health SDG at the Department of Public Health. The SAC enthusiastically supports the proposed increases in these vital Family and Community Health programs, including WIC, early intervention, family planning, and Project Teen Health. In addition, House 1 transfers the Challenge Fund for the Prevention of Teen Pregnancy from the Office for Children to this DPH service delivery group. The group as proposed includes the FY'92 Family Health Services account, WIC, Healthy Start, Dental Health and Community Health. With the \$10.1M in expansion, House 1 increases total spending for Family and Community Health to \$56.05M in FY'93, supporting programs including the following.

Women, Infant and Children (WIC) Program

WIC provides healthful foods and nutrition counseling for eligible pregnant, breast-feeding, and postpartum women and to eligible children under five years of age. It offers nutrition planning and education, food vouchers, and referrals to primary health care.

Funding: The state appropriation for WIC (FY'92 #4513-1002) is increased by \$4M, from \$8.1M to \$12.1M. WIC retained revenue (FY'92 #4513-1012) is increased by \$1.5M, a figure equal to this year's supplemental budget, bringing the final retained revenue for both fiscal years to \$11.9M.

Services: WIC expects to increase its caseload by 6,800 to almost 105,300, serving 68.8 percent of the eligible children and families. Historically, WIC has only been able to serve about half the eligible population.

Early Intervention

Early intervention provides developmental supports, for example, to teach language or motor skills, to infants and toddlers, aged birth to three years. The children either have disabilities or are at biological, established, or environmental risk of disability or developmental delay. The program also assists the parents to be able to care for their children appropriately.

Funding: Early intervention (EI) services are funded through contracts with local providers. The current state appropriation for EI (part of the Family Health Services FY'92 #4513-1000) provides approximately \$5.361M in contract dollars for EI programs. An additional \$1.040M is contracted for transportation. Federal dollars (from Public Law 89-313), which depend on the size of the state appropriation, are budgeted at \$2.942M in contract dollars for FY'92. Not included in this estimate of the current EI budget are administrative costs for DPH and Medicaid and third party reimbursements paid directly to the providers.

House 1 proposes a \$1M increase in the state appropriation, which will restore part of the \$1.6M cut in early intervention in FY'91. The \$1M should generate \$3 to \$4M in other funds, including federal and third party reimbursements.

Services: Estimates are that between 11,610 and 14,850 children are eligible for EI. For the last few years, EI has been able to serve 7,000 to 8,000 children a year. The \$1M increase will enable the program to serve an additional 1,247 eligible children in FY'93, bringing the total served to 9,969. With Medicaid, third party reimbursement, and federal funding, EI will have sufficient resources to go forward with the entitlement for services for all eligible children. DPH expects the entitlement to be fully operational in FY'94.

Family Planning

Family planning dollars support family planning, pregnancy testing, and pre- and post-pregnancy referrals for services.

Funding: DPH contracts with community providers for family planning services. Current FY'92 contracts total \$1.713M: \$1.653 from state appropriated funds (part of the Family Health Services account) and \$60,000 in federal dollars channelled through the state. In addition, providers receive funds directly from the federal government, funds that do not now appear anywhere in the state budget.

House 1 provides a \$4.1M increase for family planning: \$1M in addition to the current state appropriated funds and \$3.1M to compensate for loss of federal funds that now go directly to the providers for comprehensive family planning services. These dollars would be lost because of federal legislation, called the "gag" rule, that denies funding to providers who give any of their clients information about abortion.

Services: Most of the increase--\$3.1M--would enable existing federally-funded agencies affected by the "gag" rule to continue to provide 64,000 comprehensive visits to low income and minority women. The additional \$1M will provide comprehensive family planning services to 21,000 women and expand to new geographic areas not covered by current providers.

Project Teen Health

Project Teen Health is an inter-divisional DPH initiative to fund programs that decrease adolescent risk-taking behaviors associated with AIDS, HIV, pregnancy, and other health concerns.

Funding: Family Health Services now provides \$1.535M in state appropriated funds for various community-based adolescent health contracts, plus an additional \$240,000 in federal dollars from the Maternal and Child Health grant. Additional dollars for adolescent health prevention come from divisions, such as the AIDS Bureau. House 1 adds \$1M for teen health prevention initiatives to the Family and Community Health SDG.

Services: The new dollars will expand adolescent health and prevention services, including health education and counseling for up to 100,000 teens.

Challenge Fund for the Prevention of Teen Pregnancy

The Challenge Fund contracts with community coalitions to provide primary prevention services and public education to teens, parents, and professionals. The coalitions use the Challenge Fund dollars to leverage local, federal, and private funds for additional prevention services in the community. Services include: health and sexuality education, outreach and increased access to family planning services, and peer leadership. Specialized primary prevention programs are designed to meet the needs of adolescent males and females who are at risk of too-early childbearing. Programs are designed to meet the needs of diverse racial and ethnic groups in the communities.

Funding: In FY'92, the Challenge Fund was housed at the Office for Children (FY'92 #4130-0720) and funded at \$2.069M. House 1 transfers the Challenge Fund to DPH Family and Community Health at \$1.9M.

Services: In FY'92, the Challenge Fund contracted with 12 community coalitions who provided services through over 70 local agencies and neighborhood groups to approximately 40,000 teens, parents, and professionals. It is expected that the House 1 FY'93 dollars will maintain the current level of contracted services. However, no money is included for administration or contract monitoring.

Healthy Start

The Healthy Start Program (FY'92 #4513-1005) provides outreach, client advocacy, and prenatal coverage for low-income, primarily high risk women who are not Medicaid eligible and have no other health coverage.

Funding: The FY'92 appropriation for Healthy Start is \$5.966M, including an approved FY'92 supplemental budget of \$577,000.

Services: Healthy Start expects to pay for pregnancy related medical services for 2,375 clients at a projected average cost of \$2,235 each during FY'92. The FY'93 House 1 funding rolls forward current funding of \$5.966M. If the number of women served and average cost remain stable, the FY'93 House 1 funding will be sufficient to meet the needs of the program.

Other DPH Prevention and Treatment Programs

FY'93 Account 4500-0000, continued

AIDS

SDG: DPH-0001

The AIDS (Acquired Immune Deficiency Syndrome) Program supports research, testing, counseling, public education, community health and home care, long-term care, housing subsidies, and prevention activities among high risk groups. Included are prevention activities directed at adolescents and women of childbearing age.

Funding and Services: The FY'92 appropriation for this account (FY'92 #4512-0103) is \$18.613M. House 1 provides \$6M more for AIDS services in FY'93. \$1M of this \$6M is targeted for substance abuse treatment for people at risk of HIV infection, including pregnant and parenting women. The additional funding will allow DPH to serve 2,000 more clients in prevention and treatment programs. Nevertheless, the increase may not outweigh cuts in welfare benefits and low income housing subsidies used by people with HIV/AIDS.

Substance Abuse

SDG: DPH-0003

Using state and federal dollars, DPH funds alcohol and drug abuse prevention and treatment programs for low-income individuals who would not otherwise receive treatment. Youth under 20 comprise an estimated 8.5 percent of DPH clients. Youth programs include: seven residential treatment programs, eight prevention centers, outpatient services, drunk driver classes, and youth intervention programs. Many other children are affected by services provided to their parents and to pregnant women. Based on figures from the first six months of FY'92, DPH projects that it will serve 700 pregnant women in FY'92 compared to 200 in FY'90.

Funding and Services: The FY'92 state budget appropriation is \$27.844M, more than a 27 percent reduction since FY'90 when expenditures totalled \$38.054M. Funding reductions have not only eroded services but also jeopardize \$26M in federal block grant funds. Federal funds require that the state maintain its funding level. Even if federal funds can be retained, previous years' cuts have placed some emergency and residential programs at risk of closing.

At \$27.465M, House 1 level funds the program. Some current administrative costs will be picked up elsewhere in DPH. As noted above, additional substance abuse treatment for individuals at risk of HIV infection is funded through the AIDS account.

Lead Poisoning

SDG: DPH-0005

Funding and Services: At \$1.541M, funding in House 1 for the Environmental and Community Health Hazards account, which includes testing and services to prevent lead poisoning, is level with FY'92. The federal government, however, has lowered the level of lead in blood considered "acceptable." Responding to the new standard will require increased efforts in testing, case management, inspection, and education, for which no funds are provided. DPH estimates that for FY'92 and FY'93 it will screen 300,000 children for lead poisoning and treat 2,000 children.

Immunizations

SDG: DPH-0010

Funding and Services: During FY'92, funding for universal immunization against communicable diseases was moved from the "free care pool" at the Department of Medical Security (DMS) to the DPH. Included is immunization

against measles, mumps, diphtheria, polio, rubella, tetanus, pertussis, and other diseases as recommended by the Centers for Disease Control. House 1 funds immunization at DPH for FY'93 as an appropriation rather than as retained revenue generated through the free care pool. At \$10.7M, the funding is level with FY'92 and, according to DPH, adequate to provide the needed doses of vaccine.

Department of Public Welfare Programs

The two major Department of Public Welfare (DPW) policy issues affecting children and families are the elimination in FY'92 of Medicaid coverage for 18 to 21 year olds (except those who are pregnant, institutionalized, the head of a family or disabled) and the implementation of a Medicaid managed care system. As of November 1, 1991, approximately 9,000 young people lost Medicaid coverage.

DPW began implementing the Medicaid managed care system statewide on April 1, 1992 for all new Medicaid recipients. Medicaid recipients will sign up with a medical provider, who will provide basic health care services and make referrals to other medical providers only if there is a medical need for the referral. Some medical services will not require the approval of the managed care provider. Some of the services that will not require approval are:

- dental and vision care services
- HIV testing
- family planning and abortion services
- emergency services
- transportation to covered medical services
- services provided to pregnant women during their presumptive eligibility period.

About 400,000 of the approximately 550,000 Medicaid recipients are covered by managed care. Exempt are recipients over age 65, those with other insurance coverage, recipients served by Massachusetts Commission for the Blind (MCB), spend down recipients, undocumented immigrants who are eligible for emergency medical services only, home and community based waiver recipients, and those who are institutionalized. Recipients will choose to enroll in an Health Maintenance Organization (HMO) or a Primary Care Clinician, possibly their current doctor. It is expected that about 100,000 will enroll in HMOs. No Medicaid recipient can be forced to accept an HMO. Over 90 Primary Care Clinicians have signed up with Medicaid. Recruitment continues in medically underserved areas.

Medicaid is also implementing a separate Mental Health/Substance Abuse managed care initiative. Mental Health Management of America (MHMA) has been awarded the contract to implement the program. Medicaid plans to reduce inpatient stays and invest in community-based diversion and treatment programs. MHMA is to begin screening all inpatient admissions on April 10 with the exception of children. Until July 1, 1992, DMH

teams will continue to screen all potential child/adolescent admissions. On July 1, 1992, MHMA will become the claims payor and processor for all mental health/substance abuse services for the managed care population; expand service authorization and utilization review to all populations, including children; and will begin to implement some crisis intervention, respite, in-home and short term residential services. Medicaid recipients can access mental health/substance abuse services directly or seek a referral through their primary care clinician. The first five or six outpatient sessions generally may be handled without prior authorization, but ongoing treatment will require authorization by MHMA.

Affordable Health Coverage for Disabled/CommonHealth FY'93 Account 4400-0000 SDG: WEL-0007

The CommonHealth program, which provides affordable health care coverage to children and adults with disabilities was developed in FY'89 as part of the state's universal health care law. Recipients may purchase full or supplemental health insurance on a sliding fee basis.

Funding: House 1 recommends \$19M for FY'93, a \$4M increase over FY'92 funding (FY'92 #4400-4000) and includes it in DPW's administrative account.

Services: House 1 will support the provision of primary and supplementary health insurance for over 3,300 disabled children and adults each month in FY'93 -- enough to cover the current caseload and those expected to enroll in FY'93. At present, 2,754 individuals (1,222 children and 1,532 adults) are enrolled in CommonHealth.

Medicaid

FY'93 Account: 4402-5000 SDG: WEL-0008

House 1 projects Medicaid savings of \$159M from a variety of initiatives including managed care, nursing homes admissions screening and notice liens put on the property of nursing home residents. The Administration's proposal to cap long term care recipients' spend-down income at three times the Supplemental Security Income (SSI) standard of \$15,192 was withdrawn.

On May 1, 1992 DPW will begin requiring co-payments of 50 cents for prescription drugs and will charge \$3.00 if a Medicaid recipient uses an emergency room for non-emergency services. Excused from co-payments are: children under age 19; pregnant women; hospitalized or institutionalized patients; patients requesting family planning supplies and services; those receiving services through a health maintenance organization; and hospice care.

Funding: House 1 funding for Medicaid is \$2.881B gross, including \$43M in retained revenue. The net cost to the state is \$1.2B for FY'93. This is about

about a 3.7 percent increase over projected current services expenditures. Since the annual increase to keep up with costs and eligible clients from FY'83 to FY'90 averaged 10 percent, the FY'93 appropriation is a considerable reduction.

Services: In FY'92, savings were generated by eliminating Medicaid coverage for 18 to 21 year olds and by ending the second year of Medicaid coverage for former AFDC recipients who were working. FY'93 savings rely in large part on managed care. Advocates have serious concerns that significant savings will not be realized unless eligible people are denied needed care at some point in the service delivery process.

Department of Medical Security Programs

FY'93 Account: 4600-0000

The Department of Medical Security (DMS) continues to administer what remains of the Health Security Act of 1988 -- "Health Care for All." "Health Care for All" was a victim of the economic downturn and political changes. Initially scheduled to be phased-in to full implementation this year, this plan to make health insurance universally available has been delayed and scaled back significantly. The law's major mandate--a provision that requires businesses to either provide health insurance or pay \$1,680 per worker into a fund which would finance managed health care insurance throughout the state--was postponed from 1992 until 1995. A pilot program covering an estimated 1,100 people employed by small businesses who cannot afford health plans ended on March 31, 1992; no funding was allocated for FY'92, and the balance of trust fund money allocated for this purpose is not sufficient to continue the program at current enrollment levels. The plan had been for this demonstration "phase-in health insurance program" to continue until the employer mandate was in place.

Chapter 495 of the Acts of 1991, the Health Care Access and Financing Act, restructured the hospital reimbursement system and expanded DMS responsibilities. DMS is authorized to expand or develop health care opportunities for low income individuals, children and the homeless. In FY'92, \$9.3M was allocated for a community health center program of managed care (\$4M), a preventive pediatric health services program (\$5M), and for Boston health care for the homeless (\$300,000). Chapter 495 also appropriated \$10.7M for the Vaccine Trust Fund (FY'92 #4600-1220), which is transferred from DMS to DPH in FY'93.

DMS Administration

FY'93 Account: 4600-1000 SDG: DMS-0001

DMS oversees the Health Security Plan, which provides basic health insurance to unemployed workers, who are receiving unemployment compensation and meet income

guidelines; the Labor Shortage Initiative; the student health insurance program; and programs covered by Chapter 495.

Funding: In FY'92, \$882,921 was allocated for administration (FY'92 #4600-1000). House 1 recommends \$914,000. However, the budget proposal was developed before Chapter 495 passed and doesn't reflect the additional work required by this legislation.

Services: The Administration account supports staff for all DMS programs. The Health Security Plan is funded by contributions from employers of \$16.80 per employee and offers both direct coverage and partial reimbursement for continued coverage under group health insurance plans of the previous employer. In FY'92, health insurance for unemployed is expanded and made more affordable by: reducing deductibles and co-pays; broadening eligibility requirements to cover certain long-term unemployed; and raising eligibility limits from 300% of federal poverty to 400% of poverty.

Uncompensated Care Pool Administration FY'93 Account: 4600-0000 SDG: DMS-0002

DMS oversees the Hospital Uncompensated Care Pool. The "free care pool" pays hospitals for the free care they provide to low income people without health insurance. The pool cap is set at \$300M.

Funding: House 1 reduces funding for administration (FY'92 #4600-1050) from \$790,000 in FY'92 to \$584,000 for FY'93.

Services: House 1 projects 80 percent of hospitals to be audited, the same as in FY'92, and raises the amount to be saved from \$20M this year to \$25M in FY'93.

Health Care Access FY'93 Account: 4600-0000 SDG: DMS-0006

Health care access funds the new Preventive Pediatric Health Care Initiative (FY'92 #4600-1200), Center Care (FY'92 #4600-1210) and Boston Health Care for the Homeless (FY'92 #4600-1230).

Funding: House 1 recommends \$9.3M, the same level of funding as the FY'92 appropriation. By program, funding is: preventive pediatric health care (\$5M); community health center managed care--Community Care (\$4M); Boston Health Care for the Homeless (\$300,000).

Services: This month DMS will issue a request for proposals for the preventive pediatric health care initiative, which is expected to start in July of 1992. As an insurance program to cover preventive and primary care for uninsured children under the age of six (excluding hospitalization), the program will be free to low income families and partially funded by co-pays or sliding premiums for higher income families. According to DMS, there are approximately 33,000 Massachusetts children under age six without health insurance.

The DMS Center Care program (community health center managed care) was begun in May, 1989 and offers primary health care services to low-income uninsured individuals and families. Currently 8,212 individuals are enrolled; 35 percent are children under age 18. For FY'93, House 1 projects an enrollment of 10,000 individuals.

CHILDREN'S MENTAL HEALTH

Introduction

Federal law 99-660 requires the State's Department of Mental Health to develop a comprehensive plan for delivering mental health services to children and adults in Massachusetts. Using a population based formula, the DMH plan describes a model which is comprehensive, culturally responsive and includes a continuum of mental health services for individuals under age 19 who are seriously emotionally disturbed or seriously mentally ill. Based on 1990 census data, it is expected that 35,732 of the state's 1,429,282 children and youth under age 19 will need publicly funded mental health services at some time. The plan is to provide these services in a child's community whenever possible and emphasize family preservation and participation in a child's treatment.

Inpatient beds and long term hospital and intensive residential treatment beds were developed first to comply with Executive Order 244, instituted in 1987, which prohibited placement on adult state hospital wards of youth under age 19. Unfortunately, the community-based programs, never fully developed in the first place, were the first to be cut in the relentless budget reductions which began at the end of FY'89. The following table illustrates the number and types of mental health services needed and DMH's current capacity.

<u>Statewide</u>	<u>Measure</u>	<u>Goal</u>	<u>Current capacity</u>
Emergency Services	no separate target for children		
Case Management	clients	4,977	1,165
Inpatient & Residential			
Crisis stabilization & acute hospital	beds	188	181
Long term hospital & intensive residential treatment	beds	104	111
Group living & therapeutic family care	beds	976	340
Non-residential			
Day programs	slots	2,132	205
Home based	slots	296	42
Outpatient	slots	10,341	4,466

In an effort to maximize resources, DMH has been working on Medicaid certification for its inpatient and intensive residential treatment programs. In FY'91, this generated \$5.5M which DMH kept in a retained revenue account and was able to use to offset some of the budget cuts which began in FY'89. DMH had hoped to use this money to create the community and home-based children's services. Beginning in FY'92, this money has been going to the general fund. Legislation which would allow DMH to retain this revenue for community services is a major priority for child advocates.

Medicaid Changes Affecting Children's Mental Health Services

Effective November 1, 1991, with limited exceptions, young people aged 18 to 21 are no longer eligible for Medicaid. Previously, Medicaid coverage enabled young people in need of inpatient mental health services to enter general hospitals or, through the Psych Under 21 program, public and private psychiatric hospitals. To access Medicaid now, young people, in general, must have a medically documented long term disability. Because there is no guarantee about which individuals Medicaid will consider "disabled" and determinations take time, hospitals will not accept youth unless they already have valid Medicaid cards. As a result, the state must spend its scarce dollars to place youth in state hospitals solely at DMH expense, without the benefit of the Medicaid federal reimbursement. Post-hospital community care for mental (and physical) health problems formerly covered by Medicaid, is no longer available unless youth meet strict standards for free care through DMH.

Medicaid's managed care mental health/substance abuse initiative will affect DMH services. At present, DMH screens all Psych Under 21 admissions for appropriateness. On July 1, 1992, this responsibility will be transferred to Mental Health Management of America (MHMA), the vendor with overall responsibility for implementing this Medicaid initiative. Based on their experience with seriously emotionally disturbed children, DMH plans to negotiate with MHMA to continue Psych Under 21 screening and potentially take on screening psychiatric admissions to general hospitals as well.

Gaebler Children's Center

On April 2, 1992, the Committee on Mental Health Services for Children Under 14 years of age released its report recommending that services currently provided at the Gaebler Children's Center be transferred to private service providers (privatized), decentralized, community based and expanded to include a residential and crisis diversion capacity not available at present. The Committee emphasizes that their proposal will not result in cost-savings, but in more cost-effective and clinically appropriate mental health services to young children.

Gaebler is the only public psychiatric hospital for children. At one time it had a capacity to serve 155 children. It currently has a capacity of 42, with an average daily census of 37 children. According to a recent DMH survey, compared to children of the same age in

private psychiatric hospital placements, more children at Gaebler had one or more prior hospitalizations, were in out-of-home placement prior to admission, exhibited a higher percentage of difficult behaviors resulting in hospitalization, and had lengths of stay greater than 60, 91 and 120 days. In response to this data, the Committee consistently articulated their concern that

- current Gaebler services not be dismantled prior to the implementation of new inpatient, intensive residential and crisis stabilization capacities; and
- total DMH resources available for young children be maintained for new program development with a view toward utilizing federally reimbursable (FFP) Medicaid dollars for further services development.

Implementation of the Committee's proposal must be carefully planned, take place gradually, and contain sufficient resources. The House 1 budget, as proposed, does not reflect the Committee's concerns.

Department of Mental Health Programs

FY'93 Account 5900-0000

House 1 proposes a FY'93 budget of \$462.9M for the Department of Mental Health (DMH). DMH is to continue its community initiative by privatizing adult acute inpatient beds (projected at saving \$2.9M) and restructuring adolescent services. The Governor's budget also includes \$3M in new funding to expand housing for people who are homeless and mentally ill in the Metro Boston area. Forensic mental health is proposed to be level funded in FY'93; this account (FY'92 #5049-0000) funds some child/adolescent specialists in court clinics.

Community and Inpatient Services for Clients Under 19 Years of Age

(SDG DMH-0002)

Community and inpatient services for clients under 19 years of age funds inpatient and community-based mental health services for children and youth, including the Gaebler Children's Center in Waltham.

Funding: This service delivery group contains funds previously in Administration, adult mental health, children's mental health (FY'92 #5047-0000), community mental health centers, mental health facilities. Funding for FY'93 is \$51.757M compared to FY'92 funding of \$53.257M - a reduction of \$1.5M. The proposed \$1.5M cut is in the FY'92 child/adolescent account, reduced from \$43.579M in FY'92 to \$42.079M in FY'93. In FY'89, the appropriation for child/adolescent services was \$48.852M, augmented by retained revenue of \$1.4M, for a total of \$50.252M. Although DMH

child/adolescent services generate several million dollars in revenue for the state (over \$6.5M projected for FY'92 and FY'93), all of the money goes to the general fund, not to children's services.

Services: DMH has never been able to develop the continuum of services needed for children and adolescents. House 1 continues the erosion of existing services. In FY'91, when \$5.1M was cut from this account, existing crisis intervention, day treatment, home-based treatment and community residential programs were cut by \$2.1M. In addition, cuts to partnership clinics resulted in the loss of services to approximately 400 children and adolescents.

The recent recommendation to close the Gaebler Children's Center, coupled with the proposed cuts, has advocates concerned. Alternative programs for the 37 children at Gaebler at any one time will be costly, and it's not clear that any money will be saved by the closing. These are very seriously emotionally disturbed children; hospitals and residential programs have been reluctant to accept them in the past.

CHILDREN WITH DISABILITIES

Introduction

The Americans with Disabilities Act gives civil rights protection to individuals with disabilities (including children) similar to the protection provided to individuals on the basis of race, sex, national origin, and religion. A wide variety of services are affected, including child care. New Office for Children (OFC) child care regulations reflect the legislation. In addition, OFC will be awarding federal block grant money this spring to programs to integrate children with disabilities into regular child care settings.

Services to Children with Mental Retardation

When the Department of Mental Retardation (DMR) was created as a separate agency in 1987, it was charged with developing a full range of services to the Commonwealth's estimated 20,000 children with mental retardation. However, DMR has never been allocated the resources it needs to create a community-based service system for children. Since its creation, less than three percent of the total DMR budget is designated for children.

Although children's services at DMR (FY'92 #5947-0000) are essentially level funded in House 1, they are merged with adult services in three proposed service delivery groups: residential services for mentally retarded individuals; day services for mentally retarded individuals; support services for mentally retarded individuals. Advocates would like a separate line item or service delivery group for children who have mental retardation or developmental disabilities and their families, in order to ensure that services to this population remain a priority with DMR.

Turning 22

Through the Bureau of Transitional Planning (BTP), the Executive Office of Health and Human Services (EOHHS) assures that individuals previously served through Chapter 766 are assigned to a human services agency that will plan for ongoing services once the child turns 22 or graduates from high school and is no longer eligible for special education services. Unfortunately, budget limitations mean that only a small percent of those eligible for Turning 22 services actually receive the type and level of service required.

Since FY'89, most Turning 22 funds have been frozen or cut significantly. Long waiting lists, especially for mental retardation programs, have been growing even longer. The combined waiting lists for the Department of Mental Retardation (DMR) and Massachusetts Rehabilitation Commission (MRC) Turning 22 services will be at nearly 2,000 by June, 1992. There are no waiting lists at the Massachusetts Commission for the Blind (MCB) for Turning 22 services, but at DMR, only the most critical cases receive services.

Special Education Changes

In January, 1992, Governor Weld signed into law legislation that amends the definition of a school age child with special needs. The law specifies that "no child shall be determined to be a child with special needs solely because the child's behavior violates the school's disciplinary code." Further, a school age child with special needs is one who, "because of a disability consisting of a developmental delay or an intellectual, sensory, neurological, emotional, communication, physical, specific learning or health impairment or combination thereof, is unable to progress effectively in regular education and needs special education services" to develop to his or her educational potential. It is expected that the legislation will result in fewer children receiving special education services.

Some argue that the law could result in more children with disabilities educated with their peers in regular education classes. However, without significant increases in funding and support for regular education services, the law may mean that some children with disabilities will receive reduced or no special services at all.

Department of Mental Retardation Programs

FY'93 Account: 5900-0000

Department of Retardation (DMR) funding for FY'93 is recommended at \$614.1M in House 1 (including retained revenue and trust fund accounts). While this appears to be an increase over the FY'92 appropriation (\$607.9M including the \$54.4M supplemental budget), it is really an \$11.4M reduction from projected FY'93 funding needed to maintain the current level of services. These reductions are to be made through structural changes, such as converting specialized home care to Medicaid, privatizing certain facilities, and charging rent for use of DMR space. Unfortunately, these reductions come on top of five years of budget cuts to DMR. Most in need are programs for individuals turning 22 and those individuals with elderly or medically-fragile caregivers.

House 1 proposes three service delivery groups (SDGs) for mentally retarded individuals; there is no service delivery group or separate line item for children's services. Residential Services (DMR-0001) at \$491.1M represents 80 percent of the proposed budget; Day Services (DMR-0002) at \$91.7M represents 15 percent of the total; and Support Services (DMR-0003) represents 5 percent of the total.

Services to Children with Mental Retardation and their Families

SDG: none proposed

Children's services (FY'92 #5847-0000), respite and family support (included in FY'92 #5948-0000) are divided into three separate service delivery groups (SDGs) in House 1. There is no separate line item or service delivery group for children with retardation and their families.

Families of children with developmental disabilities have had difficulty accessing respite care. Advocates would like a separate SDG or line item for children services at DMR which would merge \$3.5M from the old children's services account with \$7.1M in respite funding previously targeted for children. This new line item with proposed funding of \$10.6M would account for less than two percent of the total DMR budget.

Funding and Services: House 1 proposes funding children's services at FY'92 levels -- \$3.536M. It includes respite care and family support under Support Services (DMR-0003). While respite funding is not separated out, DMR projects that House 1 funding will provide respite to 9,946 families of children and adults with mental retardation.

DMR will continue to focus its limited resources on children at risk of out-of-home placement. DMR has been working with public schools and early intervention programs to identify as early as possible those children at risk of out-of-home placement and direct family support services to those families. DMR has also been working with the Departments of Social Services and Education to return children with mental retardation or autism living in private residential schools to less restrictive placements and redirect the saved resources to family support programs.

Respite services have not increased since FY'90 when DMR served about 10,000 families. In fact, funding cuts have resulted in the majority of families having their hours of service reduced; others have lost respite entirely. With no additional funds projected for FY'93, waiting lists will remain long.

Services to Individuals Turning 22

SDG: none proposed

DMR is responsible for services for young adults with mental retardation who turn 22 years of age or graduate from high school and are no longer eligible for special education (FY'92 #5911-0006).

Funding and Services: There are currently almost 2,000 young adults on waiting lists for Turning 22 services. Of these, 400 are considered "priority one", in critical need of services. Including the FY'92 supplemental budget, \$3M is available this fiscal year for the most critical cases. House 1 recommends \$6.7M for FY'93, enough to annualize services begun this year. However, no funds are included for the 450 young people who will turn 22 years of age next year and lose eligibility for special education. It would cost approximately \$4.5M to provide services to the 120 young people in the most critical need of programs.

In prior years, funding for new individuals turning 22 was in a special account (FY'92 #5911-0006) while funds to annualize programs begun the previous year were included in the community services account (FY'92 #594-0000). House 1 eliminates funding for new individuals and includes program annualization in both the residential and day service delivery groups.

Massachusetts Commission for the Blind FY'93 Account: 4110-0000

Massachusetts Commission for the Blind (MCB) provides a range of services to legally blind individuals, including children under 14 years of age. These services include case management, infant stimulation, respite care, after school programs and consultation to public schools (FY'92 # 4110-2040). The current social services caseload at MCB is 4,293, of which almost 1,200 involve children. There are currently only six social workers for these blind children, and increasing numbers are multiply handicapped. Individual caseloads exceed 100.

MCB also provides services to deaf-blind individuals who are turning 22 years of age and are no longer eligible for special education services under Chapter 766.

Funding and Services: Turning 22 and social services are currently funded in the same account. As costs for Turning 22 have escalated, deep cuts have been made to social services since FY'89. House 1 breaks this line item into two SDGs: Community Services (MCB-0002) and Turning 22 (MCB-0003). House 1 proposes to increase funding for community services by \$181,000 over FY'92 levels. This will allow for the restoration of some respite and campership services to blind children and their families. Respite had been cut back from once a month to once every three or four months. Turning 22 is fully funded in House 1 at \$4.198M; there are currently no waiting lists for Turning 22 services at MCB.

Massachusetts Rehabilitation Commission FY'93 Account 4120-0000

The Massachusetts Rehabilitation Commission (MRC) provides services to help individuals with disabilities live and work as independently as possible. These services include vocational training, supportive employment, personal care, homemaker assistance, and specialized services to individuals with head injuries. Very few children are served by MRC.

Funding: House 1 recommends \$26.807M for MRC, \$626,000 below the funding for this fiscal year. Cuts are made in independent living services. The Statewide Head Injury program (SHIP) is level funded in FY'93 at \$6.445M (FY'92 #4120-0071; SDG MRC-0006) with the goal of serving 290 clients. SHIP was established in FY'86 to help people who survive traumatic head injury and have serious handicapping injuries. Almost 8,000 of the 46,000 individuals who sustain brain injuries each year have traumatic head injuries, but do not qualify for aid provided to the developmentally disabled.

Services: Staffing for the SHIP program has been frozen since FY'89. SHIP staff provide ongoing case management as well as technical assistance to families and schools, information and referral, and short term intervention in crisis situations. Cuts in FY'90 and FY'91 prevented MRC from hiring the six additional staff allocated in the FY'89 budget and from starting up a planned day program for 20 Greater Boston people. A year ago the waiting list for services provided by SHIP was at 1,400. There are now 1,800 people waiting for services, mostly to follow up acute rehabilitation.

PUBLIC EDUCATION

Introduction

The major public debate concerning public education in Massachusetts is about equity in financing. Public education in affluent communities in Massachusetts rivals that found anywhere in the country. Graduation rates, test scores, and percentage of students going on to higher education are all very high. In comparison, the dropout rates, test scores, and higher education rates in most low income communities, both urban and rural, remain worse than average.

Reduced state aid

Massachusetts has reduced state support for public education in each of the past four years. The result has been dramatic curtailing of resources in communities that cannot afford to make up the difference. Most cities and towns have laid off teachers and eliminated classes or other schools services. In addition, most special programs which formed the core of education reform efforts in the 1980's, through Chapter 188 (the 1985 education reform act) and related programs, have been eliminated or cutback substantially.

Following is a list of the statewide education programs eliminated or dramatically reduced in the past three years:

- Lucretia Crocker -- professional development program
- Inservice Institute -- professional development
- School Improvement Councils -- school-based programs
- Horace Mann -- professional development grants
- Carnegie Schools -- innovative curriculum development
- Education technology -- school technology grants
- Commonwealth Futures -- dropout prevention effort
- Leadership Academy -- professional development
- Regional Centers -- technical assistance to school districts

New Reform Proposals

The dramatic decline in the quality of public education in Massachusetts was recognized as a major public concern in 1991. Since then Governor Weld and legislative leaders have been working cooperatively to reach agreement on an approach to reforming education. The Administration and the Legislature are committed to increasing education spending by \$200 million in FY'93 and by a total of \$800 million through FY'95.

Legislation filed in 1991 by both the Administration and the Legislature, in addition to increased spending, emphasized a number of similar themes. Both sides favor revamping teacher tenure to a less rigid system of certification. A form of increased student and school accountability at the local level and increased use of statewide measurements and testing will be included. Increased reliance on school-based management and school-community interaction are expected to be part of final proposals. Subject to some dispute is the structure of the administrative oversight of public education at the state level. At this writing the Administration and the Legislature are negotiating on a final bill which will be considered later in the spring.

House 1

House 1 includes a number of specific proposals for reform. It is not known how many of the House 1 proposals will appear in the compromise legislation due out soon. House 1 proposes to spend an additional \$186 million on state education aid, all of which is targeted at school districts that spend below the average per pupil foundation of about \$5000/year per pupil. This formula would eliminate the city of Boston from receiving increased aid. An additional \$14 million is targeted for three statewide programs: early childhood education, professional development, and statewide technology linkages through computer networks and educational television.

Education funding for all school districts is tied to each district establishing explicit goals and performance objectives, a professional development plan, school governance plan, and maintenance of programs and student-teacher ratios at no less than FY'92 levels.

Advocates Response

Education advocates, organized as the Education Law Task Force, are concerned about some of the Administration's initiatives. In a memorandum released in February, the Task Force criticized the Administration's original reform bill, citing a "scattershot" approach to reform, which borrowed incomplete ideas and themes from a number of states; a student accountability mechanism which would institutionalize rigid tracking systems; lack of attention to cultural diversity; a hollow plan for increased school-based management; and lack of public participation. The Task Force is expected to issue a comprehensive analysis of the 1992 legislation when it is released for public review.

Special Education

Once again in 1992, there will be public discussion of amendments to Massachusetts' special education law, Chapter 766. In 1991, there was an unsuccessful effort to decrease the number of students in special education by repealing the mandate that all students with special needs receive the "maximum feasible benefit" from their education. Other changes

were made to special education regulations which narrowed the definition that identifies special needs students. Similar legislation will be considered in 1992.

Public Education Programs

Executive Office of Education (EOE)

FY'93 Account: 7005-0001

Administration SDG: EOE-0001

Funding: The new Executive Office of Education (EOE) is funded at \$1M in House 1. Most of these funds are transferred from the Department of Education, including its entire administrative staff.

Employment and Training SDG: EOE-0004, 0005

Funding and Services: All employment and training programs from the Welfare Department and the Department of Employment and Training are transferred to EOE, for a total of \$123M. Also transferred to EOE is the School to Work program from DOE, which funds employment and training services for 850 high school students in vocational programs.

Department of Education (DOE) -- School Aid

FY'93 Account: 7010-0001 SDG: DOE-0001

Funding: All school aid programs are consolidated into this account. Included are pupil transportation (FY'92 account 7035-0004), regional school transportation (7035-0006), school lunch (7005-1909), Chapter 70 school aid (7061-0008), and Equal Education Opportunity Grants (7061-1000). These accounts are level funded at a total of \$1,379M, except for Chapter 70, which includes the \$186M increase in direct school aid.

Services: House 1 earmarks all of these school aid funds solely for education spending. School districts would have to comply with requirements to set goals and measurement standards, professional development plans, school governance plans, and maintain school programs at least at FY'92 levels in order to receive state aid.

DOE -- Statewide Programs

FY'93 Account: 7010-4000

Administration SDG: DOE-0005

Funding and Services: The DOE administration account is cut by \$1.25 million, to \$6.77M. Most of these funds are transferred to EOE.

Curriculum and Student Achievement SDG: DOE-0008

Funding: A number of statewide education programs are consolidated into this SDG, and are level funded in total at \$41.8M. Included are student testing (7010-0025), institutional schools (7028-0031), private schools (7028-0302), essential skills/dropout prevention (7030-2000), health education grants (7032-0500), school breakfast (7053-1906), non-educational cost of residential schools (7061-0012).

Services: Included in this SDG is the dropout prevention program, which has been reduced by 90 percent since 1989. Participating schools will be expected to decrease their dropout rate by 4 percent. In FY'92 the DOE is funding 26 school dropout programs in districts with high dropout rates, at an average of \$25,000. In the late 1980s, when dropout prevention funds were more readily available to schools with high numbers of "at-risk students", dropout rates declined from 5.4 percent in 1987/88 to 4.6 percent in 1989/90. The corresponding rates for urban areas were 8.9 percent to 7.7 percent. Dropout rates for the past year, after the full effect of the cuts in the program have been felt, are not yet available.

The 29 schools receiving school-based health grants in FY'92 are completing their third and final year of funding. In FY'93 DOE expects to make grants to a similar number of new school health programs in low income districts with high numbers of at risk students.

The Department will also fund six "Mentor" grants of up to \$10,000 to programs that formerly received full funding. These programs will provide technical assistance to the new programs.

Early Childhood Education SDG: DOE-0009

Funding: This service delivery group combines the early childhood program, Head Start funds, and adult literacy, funded in total at \$22.6M. Spending for early childhood education is increased by \$6M, Head Start and adult education are level funded.

Services: In FY'92, DOE provided services to 12,010 children with chapter 188 early childhood funds. With new funding, the Department estimates that an additional 1,971 at-risk children will be served. The Department is planning to provide early childhood services to all at-risk 3, 4, and 5 year olds by FY'95.

Professional Growth SDG: DOE-0010

Funding and Services: All professional development programs from past years are terminated. A new proposal in House 1 provides \$3M to create three professional development centers, projected to train 4,211 teachers in FY'93.

JUVENILE JUSTICE

Introduction

The Department of Youth Services (DYS) is the primary state agency responsible for juvenile justice programs. On any given day, DYS serves an average of 1,600 youth committed by the courts and 150 bail admissions (youth pre-trial). During calendar year 1991, 764 youth were newly committed to DYS. Bail admissions reached 2,903, an increase of 3 percent over 1990. DYS's community-based treatment programs, in particular, are nationally recognized for their effectiveness.

The state appropriation proposed in House 1 is \$6 million less than FY'90 expenditures. Because of cuts over the last several years and other changes that will affect services, children in the charge of DYS will not fare as well in FY'93 as in FY'92. DYS anticipates difficulties in spite of the fact that state dollars proposed for FY'93 are only slightly higher than FY'92 and a new \$3M retained revenue account is added.

Changes that affect the care and treatment of youth at DYS include:

- Juvenile murderers to adult prisons: No additional dollars have been allocated to serve youth convicted of murder as juveniles. Because of new legislation, however, the DYS expects it will need a separate program for these youth. DYS now must hold them until age 21 and then transfer them to state prison to finish serving sentences of between 15 and 20 years total. It will be important to separate juvenile murderers from other DYS youth, whose treatment must prepare for their release by age 18. Although the cost of the separate program for juvenile murderers is not yet clear, a secure treatment bed costs about \$60,000 a year.
- More bail admissions: In recent years, bail admissions have been increasing two to five percent a year. Bail admissions consume DYS resources and take money away from treating the larger committed population.
- A changing population committed to DYS: Although commitments to DYS dropped by 8 percent from 1990 to 1991, person offenses rose 13 percent and weapons offenses 11 percent, increasing the concentration of youth with these more threatening charges. These youth must remain in secure treatment and other expensive residential programming longer.

Department of Youth Services Budget

Funding: The total state budget appropriation proposed for DYS (\$52,764,000) is slightly higher than the FY'92 appropriation (\$52,331,709). Dollars from four FY'92 line items are redistributed into three FY'93 SDGs (see additional comparison below). DYS's difficulties stem, in part, from large cuts suffered in preceding years. Its expenditures in FY'90 totalled \$58,382,238.

In addition to state dollars, House 1 proposes a new retained revenue account of \$3 million for DYS. House 1 would allow DYS to retain \$3 million of the \$5 million it expects to generate for the state through federal reimbursement of some of its services under Title IVE of the social services block grant. With retained revenue and small grant funding, House 1 total spending for DYS comes to \$56,412,000, making up half of the last several years' loss.

Services: With the retained revenue, DYS will be able to perform the administrative work necessary to claim the federal dollars and buttress some of its existing programs. It will be able to purchase 30 more group care beds for \$1.05M (restoring services lost previously) and 15 short-term secure treatment beds for committed substance abusers (\$895,880). DYS will also be able to provide a 20-bed, 90-day residential Outward Bound program with intensive 24-hour supervision and treatment (\$973,840). Other services remain the same as FY'92.

DYS's priorities for FY'93 that are not funded, even with the retained revenue account, include: 60 "home-builder" slots to provide in-home caseworker services during times of high stress to committed youth and their families (\$600,000); employment and training services to prepare youth for discharge (\$502,000); educational enhancement programs (\$500,000); and replacement of vehicles, some with mileage in excess of 130,000, and vehicle-office communication systems (\$200,000).

Additional FY'92-FY'93 comparison: Three SDGs comprise the Department of Youth Services budget in House 1. Administrative funding, previously in a separate line item, is apportioned to the three new SDGs. The new SDGs reflect DYS's view of the appropriate division of dollars among the distinct services it offers. The following state appropriations are proposed for each:

Secure Treatment and Classification (DYS-0001)	\$17,448,000
Community-Based Treatment (DYS-0002)	\$22,995,000
Pre-Trial Detention (DYS-0003)	<u>\$12,321,000</u>
TOTAL	\$52,764,000

Each of these SDGs includes dollars shifted from all of DYS's former line items. The FY'92 state appropriations for these FY'92 accounts are as follows:

Administration (4200-0010)	\$ 2,651,833
Residential Care (4202-0021)	\$32,941,046
Community-Based Treatment (4237-1010)	\$ 5,789,222
Consolidated Secure Facilities (4238-1000)	<u>\$10,949,608</u>
TOTAL	\$52,331,709

Statewide Advisory Council
of the Massachusetts Office for Children

**CHILDREN'S
BUDGET
FY '94**

GOVERNMENT DOCUMENTS
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April 1993



**Statewide Advisory Council
of the Massachusetts Office for Children**

Children's Budget FY '94

Dedication

**The Office for Children Statewide Advisory Council
dedicates the FY '94 Children's Budget in memory of Alice
Meisel, a longtime friend and advocate for children's
causes.**

THE
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Dear Friends of Children:

Pursuant to its mandate in Chapter 28A of the Massachusetts General Laws, "to advise on policy, planning, and priorities of need in the Commonwealth for services to children", the Statewide Advisory Council (SAC) to the Massachusetts Office for Children issues its annual **Children's Budget**.

Our document includes our priority recommendations for the new fiscal year. They represent appropriate investments which will better ensure that children in Massachusetts have every opportunity to lead healthy and productive lives. Failure to make such investments may ultimately cost the state more money in expensive programs for young people and families who were denied access to certain basic needs, health and child care services.

The Statewide Advisory Council hopes that this year's **Children's Budget** contributes to the Legislature's and the public's understanding of the importance of public expenditures for children and families.

Sincerely,

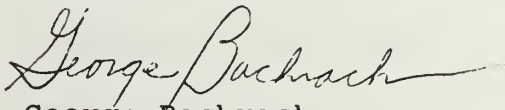

George Bachrach
President

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Recommendations

Based on proposed spending allocations in House 1, the Office for Children Statewide Advisory Council makes the following recommendations to state officials involved in the preparation of the FY '94 budget:

► Support a 6% increase in AFDC and EAEDC grant levels.

These basic grants have not been adjusted since July, 1988. Since then, the cost of living has risen by over 22%, and the basic grant levels are now \$452 per month below the poverty level for a single person on EAEDC. A growing inability to meet the most basic costs of living are severely affecting 350,000 of the commonwealth's citizens, including over 200,000 children.

► Support a \$25 per month increase in the AFDC Rent Allowance.

Currently, families on AFDC receive \$40 per month Rent Allowance if they do not live in public or subsidized housing. This allowance has not increased since July, 1987. Homelessness among these families has increased by 65% in the past two years. Increasing the allowance to \$65 per month will help to turn around the worsening condition of families on AFDC.

► Restore AFDC benefits to poor pregnant women.

The House 1 budget proposes complete elimination of AFDC eligibility for pregnant women in their first 2 trimesters when it is their first child. An average of 916 women currently are eligible each month. Women affected by this cutback would no longer receive cash assistance needed to pay for housing, clothes, food and other essentials. One quarter of the women who would lose assistance are teenagers.

► Restore benefits to families in Emergency Homeless Shelters.

The House 1 budget proposes to reduce AFDC benefits to homeless families in shelters. The grant would be decreased by \$150 per month. Families need this money to cover extra food and transportation, and to cover the start-up costs of renting new housing. This cut will lead to more homelessness. Continuation of AFDC benefits will assist 1,000 families who are in temporary emergency shelter each night.

► **Establish a pilot program of Family Resource Centers in four communities.**

The Special Committee on Family Support and the Child Welfare System has recommended the establishment of a statewide network of Family Resource Centers. These locally based private centers would provide families with comprehensive, accessible and culturally appropriate family support services including: outreach, information and referral, parent education and support groups, parent-child programs, respite care, home health visiting, and more. Recommendation : Appropriate \$900,000 to EOHHS to establish a pilot program of family resource centers in four communities in FY '94.

► **Develop flexible family support services to children and adolescents with mental retardation.**

Less than 2% of the DMR budget is expended on children in FY '93. Service funds need to be increased by \$4 million in the Department's Child/Adolescent Account (5920-4000) for the development of flexible family support services. An additional \$2 million is needed in the DMR's Respite account (5920-3000), half of which must be earmarked for children.

► **Develop community based family support services for children and adolescents with serious mental health care needs.**

An additional increase is needed of \$2 million is needed in the DMH Child/Adolescent account (5047-5000) for the development of community based family services in each of the DMH areas.

► **Ensure level-funding of teen health programs.**

To permit young people to continue to receive low-cost, preventive health care services, present levels of funding need to be maintained in the Department of Public Health's 23 teen health programs. The Department's Family Health line item (4513-1000) should include the following language:

" provided that no less than one million, forty-seven thousand dollars shall be expended for school-based health centers and comprehensive adolescent health programs and no less than seven hundred forty-eight thousand dollars shall be expended for pregnant and parenting adolescent programs."

It is important that adolescents also be the key focus of all initiatives begun or expanded with tobacco tax funds. This includes adolescent specific programs funded by the Department of Public Health and the Department of Education.

► **Ensure the prevention of more teen pregnancies.**

The Department of Public Health currently spends \$1.98 million on teen pregnancy prevention programs in twelve communities across the commonwealth. The Teen Pregnancy Prevention Challenge Fund is the state's only program aimed exclusively at preventing teenage pregnancy. These programs have had remarkable success cutting teen pregnancy rates. The most recent available statistics show that the statewide teen birth rate has declined for the first time since 1983. Challenge Fund communities showed a decrease in teen birth rates while similar communities without Challenge Fund services averaged a 10% increase in teen births. Spending needs to be increased for the Teen Pregnancy Prevention Challenge Fund from \$1.977 million in FY '93 to \$2.669 million, preserving a separate line item for the program (4530-9000). This additional \$692,000 for this program could bring four new communities into the program, allow current communities to serve more youth at risk of teen pregnancy, and restore staff needed to ensure proper administration of the program.

► **Expand teen parent day care to promote self-sufficiency and prevent repeat teen pregnancies.**

Currently, DSS funds 375 teen parent day care slots, which provide teen parents with child care, transportation, counselling and education. This program has proven extremely successful in helping teen parents obtain their high school degree and avoid repeat teen births. The House 1 budget proposes a \$500,000 expansion of this program to \$4.3 million. The House should increase funding for these day care services to \$4.5 million (the amount proposed by House Ways and Means For FY '93). This will enable existing programs to serve more teen mothers and allow six to ten new programs open in areas of the state where there is no teen parent day care. Recommendation: Increase spending for teen parent day care from \$3.8 million in FY '93 to \$4.5 million in FY '94.

► **Support Children's Anti-hunger relief efforts.**

Massachusetts has effective programs that address the issue of Childhood hunger. Unfortunately, not all of these program are being fully utilized. Almost one half of needy children in schools where breakfast is offered, do not participate in the program. In addition, only 12% of eligible children receive Summer Food Service meals. A recent study on child hunger in Massachusetts also shows that one third of families eligible for food stamps were not receiving. Nearly one half of the women, infants and children eligible for WIC were not receiving these benefits. Support of the Massachusetts Childhood Hunger Relief Act will ensure that needy children and families eligible for these programs receive these critical nutritional support services. Full funding of this program would include line item (4400-1000), \$350,000 earmarked for the Food Stamp Outreach Program; line item (7053-1925), \$500,000 earmarked for the School Breakfast

and Summer Food Service Outreach Programs; and line item (4513-1002), \$17 million for the WIC Special Food Supplement Food Program for Women Infants and Children.

► **Ensure adequate funding for public education.**

The FY '94 House 1 budget does not include the \$188 million in school aid appropriated in FY '93. Since needy school districts are spending these funds this year, a lack of school aid funding in FY '94 will mean thousands of teacher lay-offs and discontinuation of important education programs across the commonwealth. It is expected that the legislature will support the continuation of financial assistance for school districts in the new fiscal year, however, payment for this educational aid must not be taken away from already burdened human services.

Notes on The FY '94 Children's Budget

Format

The State budget is an important tool for making public policy. It describes how billions of public dollars are to be spent during the state's fiscal year, which begins on July 1 and ends the following June 30. The Children's Budget describes services provided to children and families. It also outlines House 1 spending recommendations proposed for each child-serving state agency and Executive Office. Spending recommendations by line items are compared to the previous fiscal year's budgetary allocations.

The FY '94 Children's Budget has been categorically organized under the following headings:

Description: Services and proposed House 1 budgetary allocations are outlined by Executive Office (Executive Office of Health and Human Services, Executive Office Communities and Development, Executive Office of Education), and by agency (Dept. of Mental Health, Mass. Commission for the Blind, etc.). This section describes the mission goals and services provided by these offices.

Total Funding: House 1 proposed funding is compared to the FY '93 allocation in this section. State appropriated funds are separated from the other types of funding afforded to many agencies (e.g. federal grants). In this section, state appropriated funds are marked (A), and other types of funding are marked (O).

Appropriations for Selected Accounts: Proposed House 1 appropriations are compared to the FY '93 allocations in this section. Accounts are described by Service Delivery Group (SDG) and by Line Item. A service delivery group is a spending category that combines several programs and/or activities that serve a similar function. A Line Item is a separately identified unit of appropriation. The Massachusetts budget has approximately 750 line items each of which is assigned an eight-digit account number.

House 1 Projections: This narrative section describes proposed funding for key child and family service programs within each of the agencies and Executive Offices.

Additional Proposals: Some agencies are relying on new legislation to be passed in order to be funded at the recommended House 1 level. Where it is necessary, these stipulations are outlined in this section.

Comments: Through review and analysis of proposed spending within several agencies, the Statewide Advisory Council highlights the implications of these proposals in this narrative section.

The Budget Process

The House Ways and Means Committee is expected to issue its proposed FY '94 spending plan in the middle of May, with debate in the full House to soon follow. The Senate Ways and Means Committee and the full Senate will act in June. Both branches will then negotiate a final FY '94 budget in consultation with the Governor. When the budget is enacted, the Governor has ten days to sign it. The Governor may veto individual line items or parts of line items. The Governor also has the power to withhold parts or all of individual appropriations, pending the availability of funds.

Executive Office of Health and Human Services

Description

The Executive of Health and Human Services oversees the majority of the agencies serving children in the Commonwealth. The mission of the secretariat in regard to children's service is to guide policy development for key initiatives and to coordinate children's services between agencies.

Total Funding	FY'93: \$	2.1M (A)	\$	4.4M (O)
	House 1: \$3,339.3M (A)		\$110.2M (O)	

Appropriations for Selected Accounts

<u>SDG</u>	<u>Line Item</u>	<u>FY'93</u>	<u>House 1</u>
EHS2	^a Child Care	\$134M ²	\$105.8M ³
EHS3	^b Administrative Costs		\$ 46.4M
EHS4	^b Medicaid Managed Care	\$765M	\$819.9M
EHS8	^b CommonHealth	\$17.4M	\$ 19.9M

^a Includes funding from line items at DPW, DSS, and OFC in FY'93

^b Line item at DPW in FY'93

House 1 Projections

House 1 proposes that all child care programs provided by the Department of Social Services (DSS) and the Department of Public Welfare be centralized under the supervision and control of the Secretary's Office. The Day Care (EHS2) service delivery group includes child care slots purchased for children of MassJobs participants, children of low-income working parents, children of low-income teenage parents, and children who are at risk of abuse. Child Care Resource and Referral Agencies are also included in this service delivery group. The FY '94 spending recommendation for this account totals \$105.8 million. Federal funds through the Child Care Development Block Grant, the At-Risk Day Care Grant and the Social Services Block Grant will equal \$41 million.

²This amount indicates total state and federal spending for child care services for FY '93. (This amount does not reflect funding for Child Care Resource and Referral Agencies.)

³An additional \$41 million will be available through the federal Child Care Development Block Grant, the At-Risk Day Care Grant and the Social Services Block Grant.

House 1 projects the following **child care** slots per program: family support/family preservation (4,236); income-eligible/basic contracted (8,900); income-eligible vouchers (2,600); MassJOBS (9,300); teen parent (424); informal/independent (1,400). These projections represent a total increase of 5 percent over 1993.

House 1 also places the **Medicaid** and **CommonHealth** programs currently in DPW in the budget for the Office of the Secretary in a new Division of Medical Assistance. Recommended budgetary spending for **administrative** (EHS3) costs associated with these programs is targeted at \$46.4 million in House 1. This amount will support 519 employees needed for administering programs that process over 37 million medical service claims. This level of funding also includes for the **Medicaid Management Information System** that had been previously used through a federal grant.

Medicaid Managed Care services (EHS4) will provide health care coverage to 560,000 non-institutionalized Medicaid clients under the age of 65 who do not have any other health coverage. Budgetary spending is recommended at \$819.9 million. This amount will cover 100,000 recipients enrolled in HMO's and 460,000 enrolled in the **Medicaid-managed Primary Care Clinician Program**. These services will also be financed by \$375,000 in federal funds.

CommonHealth Services (EHS8) is primary and supplementary health coverage provided to 1,800 working disabled adults and 1,600 disabled children. The House 1 spending recommendation for this program is \$19.9 million.

Comment

Last year, **Medicaid** services were cut to approximately 9,000 adolescents ages 18-20 years old. These health services for poor adolescents covered **early intervention services to prevent medical and mental health crises**, pregnancy, sexually transmitted diseases, and AIDS among other conditions. Now adolescents are forced to seek expensive emergency room care after these crises have occurred. The cost to the taxpayer is likely higher for this care now, because these poor adolescents are drawing on the **Free Care Pool**. The SAC recommends the restoration of the original cost effective medicaid coverage for 18-20 year olds.

Medicaid needs to fully implement the existing **EPSDT** program for the early detection and treatment of child health problems. Resources must be identified to provide greater outreach and access to this program, which would **provide early periodic screening, diagnosis and treatment** for children. The objective of the program is to **prevent acute and costly medical crises** from occurring.

Massachusetts Commission for the Blind

Description

The Massachusetts Commission for the Blind (MCB) has registered approximately 1,700 children in Massachusetts under age 22 as legally blind. MCB advocates and provides services for blind children including: case management and assistance with medical services to age 14; vocational counseling over age 14; and special services for children with multiple disabilities, particularly, deaf-blindness and deaf-retardation. MCB also provides transitional planning, residential, and non-residential services for children who lose eligibility for special education at age 22.

Total Funding	FY'93: \$20.9M (A)	\$6.8M (O)
	House 1: \$19.3M (A)	\$7M (O)

Appropriation for Selected Accounts

<u>SDG</u>	<u>Line Item</u>	<u>FY'93</u>	<u>House 1</u>
MCB1	4110-0001 Comm for Blind	\$.688M	\$.704M
MCB2	4110-1000 Community services	2.368M	2.537M
MCB2	4110-2000 Turning 22	3.881M	4.577M
MCB3	4110-3010 Voc. Rehab	1.245M	1.243M
MCB3	4110-4000 Ferguson Wrkshps.	1.730M	1.718M
MCB4	4110-1010 SSI	8.139M	8.139M
MCB5	4110-1020 Medicaid	.352M	.408M

House 1 Projections

The House 1 budgetary spending recommendation for MCB is \$19.3 million. This amount will be supplemented by \$6.9 million in federal grants and \$135,000 in trust funds. Union employee raises and employee health insurance coverage are included in this funding level.

The House 1 budget shows that the total spending for FY '94 is actually less than in FY '93. Reportedly, this is due to MCB's completion of processing \$2.5 million in outstanding prior year **Medicaid claims** -- a cost that will not recur in FY '94. It is expected that the recommended FY '94 total spending level will not lead to a reduction in services.

House 1 says that MCB plans to increase **community services to blind children** (as well as elders) in addition to increasing the number of multi-handicapped persons receiving services through its Supported Employment Program. The Commission is also considering privatizing its manufacturing workshop, **Ferguson Industries for the Blind** with possible privatization occurring in FY '94.

Funding for **community based services** and services to clients **Turning 22 (SDG2)** is recommended at \$7.1 million. This level of expenditure will provide services to 106 Turning 22 clients as well as assist 6,000 blind clients develop community integration skills.

MCB estimates that 200 of its clients will obtain **employment** in either the competitive labor market or in an alternative work environment next year. The recommended budgetary spending for **Employment Services** is \$3 million, together with \$6.6 in federal funds and \$120,000 in trust.

SSI is recommended to be level funded at 8.1 million which will provide state supplemental payments to over 4,400 clients.

The Commission anticipates that it will process over 4,600 **medical eligibility determinations** if funded at the recommended House 1 level of \$408,000.

Massachusetts Commission for the Deaf and Hard of Hearing

Description

The Massachusetts Commission for the Deaf and Hard of Hearing (MCDHH) is the lead state agency on behalf of deaf, late-deafened, and hard of hearing people. Children may use its interpreter/communication services, case management, and referrals for assistive technology. MCB also provides education and early intervention information, referral, and advocacy for parents and families. It contracts for services to train and support youth and young adults for independent living.

Total Funding	FY'93:	\$2.9M (A)	\$.74M (O)
	House 1:	\$3.2M (A)	\$.7M (O)

Appropriation for Selected Accounts

<u>SDG</u>	<u>Line Item</u>	<u>FY'93</u>	<u>House 1</u>
MCD1	4125-0100	2.914M	3.232M
MCD1	4125-0101 Interp.Serv./Ret.Rev.	.02M	.02M

House 1 Projections

House 1 indicates that the budgetary spending recommendation for MCDHH is \$3.2 million. This amount will be supplemented by over \$600,000 in federal spending. This provides for inflation, raises for union employees and the cost of employee health care coverage.

The MCDHH continues to rely on the \$70,000 in fees charged to businesses, agencies and the courts for **interpreter services**. In FY '94, it is expected that this amount will be retained and expended by the agency for these services.

Massachusetts Rehabilitation Commission

Description

The Massachusetts Rehabilitation Commission (MRC) helps people with disabilities to live independently and work. It determines eligibility for Social Security Income/Disability Income (SSI/DI) benefits for persons with disabilities who cannot work and low-income families of children with disabilities. Children typically receive educational and vocational services through their schools, rather than MRC. Before graduation or turning 22, young people may contact MRC for vocational assistance. The Turning 22 Independent Living Program provides planning and community-based residential services for 120 individuals leaving special education programs.

Total Funding	FY'93: \$27M (A)	\$68.8M (O)
	House 1: \$27.1M (A)	\$72M (O)

Appropriation for Selected Accounts

<u>SDG</u>	<u>Line Item</u>	<u>FY'93</u>	<u>House 1</u>
MRC1	4120-1000 Administration	\$.315M	\$.326M
MRC2	4120-2000 Voc Rehab	6.318M	6.318M
MRC3	4120-3000 Employ. Asst.	6.579M	6.601M
MRC4	4120-4000 Indep. Living	3.59M	3.73M
MRC5	4120-5000 Homecare Services	3.79M	3.85M
MRC6	4120-6000 Head Inj. Services	6.45M	6.50M

House 1 Projections

The FY '94 budgetary spending recommendation for MRC is \$27 million. This will be supplemented by \$68.5 million in federal grants and \$3.6 million in trust funds. This funding level provides for union employee raises as well as health care coverage costs.

Vocational Rehabilitation Services (MRC2) are recommended to be funded at \$6.3 million with an additional \$32.5 million in federal funds and \$3.5 million in trust funds. This allocation will allow MRC to serve an estimated 36,000 clients and increase employment and job skill opportunities for 4,200 people with disabilities.

Employment Services (MRC3) provides training and support programs enabling people with disabilities to remain employed. MRC will continue to provide short-term community based support services to 310 clients in a competitive setting and long-term

support for 1,450 severely disabled clients in extended employment. The recommended funding level for this service delivery grouping is \$6.6 million with an additional \$670,000 in federal grant funding.

The **Turning 22** Independent Living Program, Supported Living/Housing Services, Protective Services and Personal Care Assistance are all components of the **Independent Living Services SDG (MRC4)**. The House 1 recommended spending level for this category is \$3.5 million, and is supplemented by federal grants of \$1.2 million. House 1 says that the FY '94 recommended appropriation is less than the FY '93 due to a veto override by the legislature of \$100,000 from the FY '93 General Appropriation Act. The administration does not believe that the higher spending level is necessary and therefor does not include it for FY '94.

The recommended **Homecare (MRC5)** allocation of \$3.9 million will allow the Commission to maintain homemaking and limited case management services to an estimated 1,300 clients. **Head Injury Services (MRC6)** will also be maintained for 35 residential clients and 300 clients living in their homes. The Fiscal Year 1994 recommendation is targeted at \$6.5 million with federal support of \$110,000 and trust funds of \$50,000.

Department of Medical Security

Description

The Department of Medical Security (DMS) manages a variety of insurance programs for low-income uninsured people. The Pediatric Health Insurance Program ("Healthy Kids") subsidizes health insurance for low-income parents of children up to age six. People receiving unemployment benefits may receive free health insurance through the Medical Security Plan. The uncompensated ("free") care pool pays for needy people to receive hospital care. DMS also supports community health centers to offer preventive and primary care.

Total Funding	FY'93:	\$13.26M (A)	\$623.4M (O)
	House 1:	\$14.7M (A)	\$609.9M (O)

Appropriation for Selected Accounts

<u>SDG</u>	<u>Line Item</u>	<u>FY'93</u>	<u>House 1</u>
DMS1	4600-1000 Administration	\$.912M	\$1.143M
DMS4	4600-1050 Uncomp Cr.Pool Admin.	1.233M	1.271M
DMS5	4600-1200 Preventive Pediatric Cr.	5M	5M
DMS6	4600-1210 Man.Cr.Comm.Hlth Ctrs.	5.8M	5.943M
DMS7	4600-1230 Boston Hlth Cr/homels.	.3M	1.31M

House 1 Projections

House 1 shows that the budgetary recommendation for DMS is \$14.7 million. Inflation, union employee raises, and health care coverage to employees is included in this level of funding. It is anticipated that the Department will also spend nearly \$610 million from trust funds.

In FY '93, DMS initiated the **Pediatric Health Insurance Program** that provides subsidized health insurance to low-income parents of children up to age six years. The House 1 budget states that nearly 9,700 children will be insured through this program by the end of FY '94. The recommended spending level for this program is \$5 million.

The Department provides preventive and primary health care services to low-income individuals through 31 independent **Community Health Centers**. DMS accomplishes this through the Managed Care Program. It is expected that 9,500 enrollees will be served in the next fiscal year. The House 1 budgetary spending recommendation is \$5.8 million.

Department of Mental Health

Description

The Department of Mental Health (DMH) provides inpatient, outpatient, residential, and a range of community services to children and adolescents who are Seriously Emotionally Disturbed (SED) or mentally ill.

The Department of Mental Health currently serves approximately 9,800 Seriously Emotionally Disturbed children and adolescents each year. Programs for children and adolescents include 24-hour crisis intervention and emergency services; home and school based family treatment; day and residential services; inpatient care and case management. Coordination with other state child serving agencies and Medicaid managed care is an essential component of planning and program development since mental health services for children are addressed and provided by multiple agencies.

Total Funding	FY'93: \$494.2M (A)	\$22.9M (O)
	House 1: \$521.9M (A)	\$20.8M (O)

Appropriation for Selected Accounts

<u>SDG</u>	<u>Line Item</u>	<u>FY'93</u>	<u>House 1</u>
DMH1 DMH2 DMH3	5011-0100 Administration	\$15.136M	16.479M
DMH1 DMH2 DMH3	5046-0000 Adult MH	201.47M	229.30M
DMH3	5046-1000 Rent Subsidies	2.516M	2.607M
DMH3	5046-3000 Homelnsns Prev.	2M	4.5M
DMH1 DMH2 DMH3	5047-5000 Child/Adolescent	52.939M	54.971M
DMH1 DMH3	5049-0000 Forensic	7.392M	9.239M
DMH1 DMH2 DMH3	5051-0100 CMHCs	80.270M	80.810M
DMH1 DMH3	5095-0000 Facilities	129.227M	124.07M

House 1 Projections

The House 1 budget indicates that proposed spending is targeted at \$522 million in state allocated funds during FY '94. This spending level will provide for inflation, raises for union employees, and the cost of union employee health insurance. The Department will also receive \$11.8 million in federal funds as well as \$9 million in trust funds.

The Department of Mental Health plans to **expand community prevention services** to young children by \$2.2 million and add 44 community residential and long term care beds as a replacement to the Gaebler Children's Center which closed in September, 1992. This will be accomplished by collecting new federal reimbursement monies for services provided in community based programs in FY '94. In addition, the Department will also add another \$500,000 for **counseling and outreach services** to approximately 250 children living in homeless shelters.

A reconfigured service delivery system for children and adolescents (DMH2) receiving care from DMH supports residential treatment for 260 young people, case management for an estimated 1,500 children, intensive residential treatment beds for 80 clients, and ongoing inpatient services for an average of 70 children and adolescents.

Additional Proposals

The Department of Mental Health **relies on new legislation** that will redistribute capital resources from closed state health care facilities to existing state hospitals or to new community residential beds for DMH and DMR clients. Without this legislation, the House 1 budget states that services will be jeopardized, or recommended funding levels will be inadequate or both.

Comment

The major focus of the child/adolescent division is to fully implement the new Gaebler system for children under 14. The \$2.2 million in additional funds would support the development of a range of community based mental health services to supplement the more intensive services that have been developed. These intensive services include two specialized inpatient units (12 beds each), and two intensive residential treatment programs (12 beds each). Two of these programs are scheduled to open on or before July 1, 1993, and two more by July 1, 1994. The only remaining obstacle to fully implementing this alternative system which replaces the Gaebler facility, is some

restrictive legislative language. It is hoped that this will be resolved in the near future.

An additional one half million dollars has been earmarked for children in homeless shelters. This is part of the \$7 million in expansion dollars for the homeless mentally ill. These funds will be directed to provide intensive services for homeless children and their families. Services include crisis intervention and support to help stabilize them in permanent housing.

Department of Mental Retardation

Description

The Department of Mental Retardation (DMR) manages an array of residential, day, and support services for people with mental retardation and their families. For children with mental retardation or autism, DMR's goal is to ensure that children live in familial situations and participate fully in their communities. It offers a broad, flexible range of "family support" services, including respite care, case management, behavioral management training, crisis intervention services, intensive in-home supports, and assistance accessing generic community resources such as child care and after-school programs.

Total Funding	FY'93:	\$650.6M (A)	\$2.85M (O)
	House 1:	\$679.4M (A)	\$1.5M (O)

Appropriation for Selected Accounts

<u>SDG</u>	<u>Line Item</u>	<u>FY'93</u>	<u>House 1</u>
DMR1	5911-1000 Administration	\$4.718M	\$4.695
DMR2	5920-1000 Admin. community	8.311M	8.953M
DMR3 DMR4 DMR5	5920-2000 Resid./Day	311.121M	328.88M
DMR3 DMR4 DMR5	5920-4000 Child./Adolescent	3.536M	3.536M
DMR3 DMR4 DMR5	5920-5000 Turning 22	3M	4.4M
DMR4	5930-1000 Facilities	249.755M	286.46M
DMR5	5920-3000 Respite	17.653M	17.653M
DMR6	5911-2000 Transportation	24.751M	24.790M

House 1 Projections

The FY '94 proposed House 1 spending recommendation for the Department of Mental Retardation is \$679.4 million. This amount includes costs for union employee raises, inflation and the cost of employee health insurance coverage. Spending is also supplemented by an additional \$1.5 million in trust funds.

Residential/Day services, as well as **child and adolescent services**, and funding for **clients Turning 22** are budgeted across three service delivery groups:

Day/Work Services (DMR3) are provided to individuals either living at home or in DMR residential facilities. These programs are educational or are geared to providing employment opportunities. Funding for day and work services is recommended at \$69.9 million in FY '94.

Residential Services (DMR4) are provided in vendor operated programs, state operated, community based programs, and in state operated facilities. Funding for these services are targeted at \$522.8 million in House 1. This will be supplemented by \$1.5 million in trust funds.

Respite/Support Services (DMR5) are designed to provide assistance while allowing people with mental retardation to continue to live at home. Respite services range from regular hours of delivery to relieve families who care for their children or other family members with mental retardation at home, to clinical teams to help prevent unnecessary placements. The recommended spending allowance of \$48.1 million will provide family support to 7,600 individuals and service coordination to 15,600 clients.

Additional Proposals

The Department of Mental Retardation relies on legislation which would redistribute capital resources from closed state health care facilities either to existing state hospitals or to new community residential beds for DMH and DMR clients. Service delivery will be jeopardized, or recommended funding will be inadequate, or both, without new legislation supporting this redistribution.

Comment

The only good news in the DMR budget for children and adolescents is the funding of the Turning 22 account (5920-5000) at \$4.4 million. This money is projected to serve approximately 150 of the 450 "priority one" clients who will be graduating this year from special education programs. (Priority one means that the person's life and safety issues and pressing service needs demand immediate attention.) There are over 2,000 as yet unserved priority one clients on waiting lists from past years.

The key childrens' accounts, Child/Adolescent (5920-4000) and Respite (5920-3000) have been level funded. The Child/Adolescent account is .005% of the Agency's budget and has been level funded for the last four years. There is a pressing need to add more resources to this account to ensure the development of

critically needed, flexible family support services for children and their families. The Respite account is .025% of the agency budget, and it is estimated that approximately 50% of this account or .0125% serves children and their families. There are still thousands of families in need of respite services. This account needs substantial expansion to provide this cost effective support to families.

It is worth highlighting that the two accounts serving children and adolescents total a meager 1.75% of the DMR budget. Much more investment must be made in child and adolescent services. Early interventions and a broad range of family support services are critically needed for this population.

Office for Children

Description

The Massachusetts Office for Children (OFC) establishes the administrative framework for and promotes development of child care services. OFC licenses, monitors, and investigates complaints for over 16,700 child care facilities, including family day care homes, preschool and school age child care programs, residential group care facilities, temporary shelters, adoption and foster care placement agencies. OFC also promotes the sound and coordinated development of children's services through contracts with Child Care Resource and Referral agencies, the Children's Trust Fund for prevention of child abuse, and the interagency children's services team to resolve difficult case problems.

Total Funding	FY'93:	\$5.6M (A)	\$1.96M (O)
	House 1:	\$6.2M (A)	\$1.96M (O)

Appropriation for Selected Accounts

<u>SDG</u>	<u>Line Item</u>	<u>FY'93</u>	<u>House 1</u>
OFC1	4130-0001 Administration	\$.542M	\$.606M
OFC3	4130-0002 Children's Trust Fund	.123M	.123M
OFC2	4130-0005 Licensing Field Oper.	4.824M	5.5M
	4130-0016 CCRA's ¹		

House 1 Projections

The FY '94 budgetary spending recommendation for OFC is \$6.2 million. This level of funding will provide for inflation, union employees raises and employee health insurance costs. In addition, spending will be supplemented with \$1.9 million dollars

¹Child Care Development Block Grant Funds will be allocated to OFC from the Executive Office of Health and Human Services for funding of the Child Care Resource and Referral Agencies that provide day care information services to parents and administer day care vouchers at the local level.

in federal funds, primarily from the **Child Care Development Block Grant** and \$38,000 in trust funds.

OFC's **licensing operations** account (OFC2) is recommended at \$5.5 million in House 1. The Office licenses, monitors, and investigates complaints for over 16,700 child care facilities, including family day care homes, preschool and school age child care programs. Residential group care facilities, temporary shelters, adoption and foster care placement agencies are also licensed by the Office for Children.

Resource Coordination Services (OFC3) include child abuse prevention initiatives provided by **The Children's Trust Fund**, **training and technical assistance** for child care providers, **Child Care Resource and Referral Agencies** (CCRA's), and programs that facilitate **access for children with disabilities**. Budgetary spending for resource coordination is recommended at \$143,000 in House 1.²

²This amount does not include supplemental federal funds from the Child Care Developmental Block Grant and \$38,000 in trust funds.

Department of Public Health

Description

The Department of Public Health (DPH) offers a variety of programs to promote the health of Massachusetts citizens, including children, pregnant women, and families. Many of these programs are housed in the Bureau of Family and Community Health, which often contracts with community agencies and schools to deliver services. Through this Bureau and others, DPH offers programs to promote maternal health and positive birth outcomes; prevent infant mortality; promote children's healthy development, including early intervention for children with disabilities; prevent accidental injuries; prevent teen pregnancy; promote adolescent health; offer dental care; provide access to community-level health care; prevent and treat substance abuse; monitor and prevent communicable diseases, including childhood preventable diseases, sexually transmitted diseases, and AIDS; and monitor for environmental pollutants, including lead.

Total Funding	FY'93:	\$228.7M (A)	\$202.8M (O)
	House 1:	\$207.6M (A)	\$197.3M (O)

Appropriation for Selected Accounts

<u>SDG</u>	<u>Line Item</u>	<u>FY'93</u>	<u>House 1</u>
DPH9	4510-0100 Administration	\$4.895M	\$5.257M
DPH2	4510-0110 Comm. Hlth. Ctr. Grants	.627M	1.871M
DPH6 DPH9	4510-0600 Env. Hlth./Lead Poison	3.174M	3.429M
DPH1 DPH9	4512-0103 AIDS	25.213M	30.737M
DPH1	4512-0110 AIDS Rental Subsidies	.120M	.124M
DPH3 DPH9	4512-0200 Substance Abuse	28.344M	28.287M
DPH2 DPH9	4512-0500 Dental Health	1.524M	1.543M
DPH2 DPH6 DPH9 DPHA	4513-1000 Family Health	18.541M	22.838M
DPH2	4513-1001 Off. of Violence Prev.	.100M	.108M

DPH2	4513-1002 WIC	13.000M	16.377M
DPH9			
DPH2	4513-1005 Healthy Start	6.436M	6.686M
DPH2	4530-9000 Teen Preg. Prevent.	1.977M	2.227M
DPH8	4540-0900 Public Health Hosps.	33.469M	41.719M
DPH2	4570-1500 Breast Cancer Prog.	3.000M	4.010M
DPH9			
DPH5	4580-1000 Immunization	10.700M	11.165M
DPH B	4512-0300 Smoking Prevention	50.000M	10.000M

House 1 Projections

The FY '94 House 1 spending projection for the Department of Public Health is \$278.2 million which includes \$70.6 million in retained revenue. Federal grant spending amounts to \$122.6 million, and it is expected that the Department will spend \$4 million in trust funds.

In FY' 93 the Department received \$17.8 million in new prevention funds that were used to increase WIC nutritional supplements, provide HIV prevention and AIDS treatment, family planning, breast cancer screening and follow-up referral, and intensive Early Intervention services for children under four years old.

The Department of Public Health will continue to focus on **prevention efforts** in the new fiscal year as prevention funding is projected to increase by another \$30.3 million. This spending recommendation increases services that **promote women and children's health** through:

- nutritional supplements** through the WIC program (\$5.4 million)

- family planning** (\$1.2 million)

- teen pregnancy prevention** (\$250,000)

- Early Intervention services** (\$1.8 million)

- Health Care Services through Community Health Centers** (1.2 million)

- subsidized, court-referred, batterer treatment classes** (\$1.2 million)

- Breast Cancer screening and Referral services** (\$1 million)

- Healthy Start prenatal care** (\$243,000)

HIV Prevention and AIDS Treatment (DPH1) services are expected to receive increased funding in the new fiscal year. The budgetary spending recommendation of \$30.4 million includes \$5.5 million in new funding to expand prevention initiatives. It is anticipated that these services will also receive supplemental financing with \$6.8 million in federal grants and \$450,000 from trust funds.

Family and Community Health (DPH2) services include a wide array of initiatives including: infant mortality prevention, teen pregnancy prevention, dental care, prevention of women's health problems, increasing access to community-based health care, WIC services, and Healthy Start prenatal care. The House 1 spending recommendation is \$60.2 million and includes **\$16.2 million in retained revenue from infant formula rebates**. Federal grant spending for community health services through the Department is expected to be \$61.4 million, with an additional \$900,000 to be spent from a trust fund.

The administration continues to support the prevention efforts of the **Universal Immunization program**. The Department will distribute 2.6 million doses of vaccines at no charge to health care providers who inoculate over 98% of the children in Massachusetts. Recommended spending for this program is \$11.9 million. This funding allocation will maintain services at the FY '93 level. DPH will also spend an additional \$1.6 million in federal grants and \$2 million in trust funds for this program.

An additional \$1.8 million in prevention expansion will be spent on **Early Intervention (DPH A)** services if funded at the House 1 level. The Department will participate in the federally-subsidized Early Intervention program for the fifth year, which DPH says will guarantee that the program serve all 12,500 children eligible for these services. The budgetary spending recommendation for the Early Intervention program is \$10.9 million, with an additional \$4.5 million to be spent from federal grants.

The Department will continue to lead coalition efforts and develop programs in **Smoking Prevention (DPH B)** and smoking cessation during Fiscal Year 1994. These programs will be **funded from the new cigarette tax proceeds**. It is recommended that the Department expend \$10 million in the development of these efforts during FY '94.

Additional Proposals

The Department **relies on some change in state law** in order to fulfill its mission to provide services through its **batterers treatment** initiative. A law must be established to create a \$300 fine for convicted batterers who must enter treatment as a condition of probation. In addition, A **Batterers' Treatment Trust**

Fund, which is funded through the batterer fine, must be created to subsidize the cost of batterers' treatment classes for those who are indigent.

Comment

The strongest gains for children and adolescents by far are in the DPH budget. The prevention goals in public health are laudable. The same goals must be adopted at all child serving agencies if we are to "move away from maintenance and consumption to prevention and investment" as the Governor proposes.

The revenue generated by the new cigarette tax funds will be used to support many of the House 1 initiatives in addition to anti-smoking programs. It remains to be seen how broadly others will interpret the expenditure of the cigarette tax funds.

Department of Social Services

Description

The Department of Social Services (DSS) receives and responds to reports of child abuse and neglect. Its mission is to ensure that all children have the opportunity to grow up in a supportive family environment. It manages an array of services to protect children from abuse and neglect and provide them with safe, permanent homes. The DSS also contracts with day care providers to offer subsidized day care for low-income working families and for the purpose of family preservation when children need protective services. In calendar year 1992, DSS received 89,592 reports of abuse and neglect involving 61,412 different children--1 out of every 22 children in the Commonwealth. The DSS referred cases of sexual abuse and other severe abuse or neglect involving 3,170 children to district attorneys. About 10,500 children are in foster care, with adoption the goal for more than 4,000 of these children. The "backlog" of children waiting to be adopted increases by 900 to 1,000 children per year.

Total Funding	FY'93: \$418.7M (A)	\$17.8M (O)
	FY'94 House 1: \$325.9M (A)	\$73.6M (O)

Appropriations for Selected Accounts

<u>SDG</u>	<u>Line Item</u>	<u>FY'93</u>	<u>House 1</u>
DSS1			
DSS2	4800-0020 Permanency	\$33.191M	\$39.197M
DSS3			
DSS4			
DSS1			
DSS2	4800-0025 Foster Care Review	\$ 1.176M	\$ 1.998M
DSS2			
DSS4	4800-0030 Foster Care	\$78.298M	\$86.714M
DSS2			
DSS4	4800-1100 Social Workers	\$62.886M	\$73.982M
DSS2	4800-0041 Group Care	\$83.673M	\$75.104M
DSS1	4800-0050 New Chardon St. Home	\$.565M	\$.625M
DSS4	4800-0150 Area Administration	\$15.436M	\$16.973M
DSS4	4800-0015 Central Administration	\$15.149M	\$17.072M
DSS1	4800-0016 Family Stabilization	\$14.648M	\$ 3.371M
DSS1	4800-0017 Family Unification	\$23.062M	\$ 4.714M
DSS2	4800-1200 Partnership Agencies	\$ 3.250M	\$.826M

	4800-1300 Family Support ¹	\$	\$
DSS1	4800-1400 Women in Transition	\$ 6.904M	\$ 5.299M

Note: House 1 moves to EOHHS the child care services currently administered by DSS and funds these services at \$76.M (combined state and federal dollars). See EOHHS summary in this document.

House 1 Projections

Adding in child care funds at EOHHS, federal, and trust funds, House 1 projects a total spending for DSS clients in FY'94 of \$475.8M, amounting to \$39M (9 percent) above FY'93 spending levels. At this level, House 1 projects that the DSS will provide family support services for 23,000 families; foster and group care services for 14,000 children; adoption services for 6,500 children; and child care for 16,000 children. The DSS is also in the process of redirecting and reorganizing itself in response to recommendations from a management review by Arthur Andersen & Co. and a Governor-appointed Special Commission on Foster Care.

¹ Includes Young Parent Programs (4800-1500 in FY'89-'92), Family Stabilization and Family Unification (4800-0016 and 4800-0017 in FY'93). Not listed in the SDG-Line Item Conversion Table in House 1.

Department of Public Welfare

Description

The Department of Public Welfare (DPW) provides financial assistance to more than 560,000 needy individuals and families each month. The MassJOBS program offers education, job training, and child care to help recipients become self-sufficient. Emergency assistance helps individuals and families who are suddenly homeless or imminently threatened with becoming homeless. More than 40 percent of the Department's clients are children, most of whom receive Aid to Families with Dependent Children (AFDC), Medicaid, or food stamps. Two-thirds of AFDC recipients are children; two-thirds of Medicaid clients are children and families.

Total Funding	FY'93:	\$4.3B (A)	\$210.9M (O)
	House 1:	\$1.2B (A)	\$90.8M (O)

Appropriation for Selected Accounts

<u>SDG</u>	<u>Line Item</u>	<u>FY'93</u>	<u>House 1</u>
WEL1	4400-1000 Administration	107.96M	129.51M
WEL1	4400-1300 Food Stamp Outrch.	.55M	.55M
WEL1 WEL7	4401-1000 MassJOBS	12.31M	12.41M
WEL2	4403-2000 AFDC	700.36M	703.91M
WEL3	4405-2000 SSI	176.37M	191.35M
WEL4	4408-1000 EAEDC	104.73M	104.73M
WEL5	4406-3000 Homelessness	34.47M	20.29M
WEL6	4403-2100 Emerg. Asst.	35M	41.85M

House 1 Projections

The House 1 budgetary spending recommendation for the Department of Public Welfare is \$1.3 billion. The Department also expects to receive \$20.7 million in federal grants, and another \$29,000 in trust for program operations.

House 1 says that **administrative** (WEL1) funding for the Department has been dramatically reduced over the last several years. These costs now represent less than 4% of DPW's total budget. Total staffing has been reduced by 14% since June, 1990. This includes staff support in the Department's Medicaid program. The House 1 spending recommendation for this service delivery grouping is \$131.1 million, together with \$4.5 million to be used from federal grants.

AFDC (WEL2) spending is recommended at \$773.9 million in House 1. This amount **includes \$70 million in child support enforcement retained revenue from the Department of Revenue.** The AFDC program is being modified to eliminate benefits to women in their first and second trimester of pregnancy if they have no other children. The recommended funding level for this will support the average annualized caseload of 113,700 cases.

SSI (WEL3) will receive \$191.4 million in state funds if allocated at the FY '94 House 1 level. This will average out to the provision of benefits to over 148,000 cases per month, an increase in more than 13,000 cases per month as estimated by the FY '93 monthly average.

EAEDC (WEL4) budget spending is recommended at \$104.7 million in House 1. This amount will support cash assistance to an average 23,932 cases each month.¹

Family Shelter and Homelessness Prevention² (WEL6) services includes **Emergency Assistance and Health Care for the Homeless program.** Both of these programs provide services to families who are homeless or at risk of becoming homeless. The House 1 budget indicates that the Department will be able to provide emergency shelter, scattered-site housing and transitional housing for slightly more than 800 families in Fiscal Year 1994. Hotel spaces for families will also be provided when shelter programs are full. Health Care services will be provided to more than 3,800 people. The House 1 spending recommendation for this program is \$41.8 million, supplemented by \$2.4 million in federal funds.

The **Mass Jobs (WEL7)** program will receive \$11.3 million in state funding if allocated at the FY '94 House 1 level. This program is a joint state and federal initiative, whose goal is to decrease AFDC enrollment by increasing self sufficiency for those currently receiving AFDC assistance. Those participating in the Mass Jobs program receive services such as skills training, transportation assistance and job placement in efforts to obtain and maintain employment. It is expected that Mass Jobs will also

¹ House 1 says that approximately 8,000 EAEDC recipients will be transferred to the SSI program in FY '94 through the ongoing EAEDC to SSI conversion project. Reportedly, an SSI case costs the state a maximum of \$129 per month compared to \$304 per month for EAEDC cases. Through this project, the state anticipates a savings of \$16.8 million on an annualized basis.

²In Fiscal Year 1994, the Executive Office of Communities and Development will provide housing search services for families living in hotels and to families who are identified at risk of becoming homeless. The EOCD will provide these services through its Homeless Intercept Program.

receive \$13.8 million in federal funding. This total amount of \$25.2 million will allow over 19,000 people to enroll in the Mass Jobs program.³

³In FY '94, Mass Jobs day care services will be provided by the Executive Office of Health and Human Services.

Department of Youth Services

Description

The Department of Youth Services (DYS) is a juvenile justice agency. Its mandate is to protect the public while rehabilitating juvenile offenders between the ages of 7 and 18, returning them to the community as law-abiding, productive citizens. DYS maintains a network of programs with increasing levels of security depending on the types of offenses committed and the threat posed by the juvenile. DYS has about 1,600 youths currently committed and 2,700 in detention awaiting trial annually. During the past year, DYS has seen a 13 percent rise in youths newly committed to its care and a 6 percent increase in youths place in detention while awaiting trial because they are repeat offenders or have records of violent behavior. Admissions for violent offenses rose 16 percent.

Total Funding	FY'93: \$53.6M (A)	\$.3M (O)
	FY'94 House 1: \$54.9M (A)	\$4.3M (O)

Accounts

<u>SDG¹</u>	<u>Line Item</u>	<u>FY'93</u>	<u>House 1</u>
	4238-1000		
	8970-0010		
	SDG Total Secure Facilities	\$11.004M	\$12.579M
	4237-1010		
	8970-0006		
	SDG Total Community-Based Treatment	\$ 5.616M	\$ 6.277M
	8970-0004 Residential Care Contracts	\$33.564M	\$33.278M
	4200-0010		
	8970-0001		
	SDG Total Administration	\$ 2.580M	\$ 2.769M

¹ These four line items are distributed across four SDG's: Secure Treatment and Classification, Community-Based Treatment, Pre-Trial Detention, and Administration.

House 1 Projections

Provided that the Legislature approves \$4M in retained revenue requested for DYS in House 1, DYS will reestablish a short-term secure treatment program with an aftercare component designed to help stabilize youths who are on the verge of failing in their existing placements and to ensure that youths are not released prematurely. This program would include 15 new secure treatment beds and 30 additional group care beds. Without retained revenue, DYS services are jeopardized. The House 1 spending level also provides for inflation, raises for unionized employees, and the cost of employee health insurance.

Executive Office of Communities and Development

Description

The Executive Office of Communities and Development (EOCD) provides financial and technical resources for economic and community development and to help low-income people, including families with children. It supports programs to promote and provide affordable housing, to prevent homelessness, and develop economic opportunities. These programs include public housing, rental assistance for low-income households, fuel assistance, weatherization, and housing rehabilitation. EOCD has also received \$6M in federal funds to de-lead 1,800 housing units.

Total Funding	FY'93: \$178.6M (A)	\$206M (O)
	House 1: \$153.9M (A)	\$212M (O)

Appropriation for Selected Accounts

<u>SDG</u>	<u>Line Item</u>	<u>FY'93</u>	<u>House 1</u>
OCD5	3000-XXXX Homelessness Prev.		\$5.477M
OCD5	3743-2027 CEED	\$.750M	.756M
OCD5	3743-2036 Housing Services	.300M	.325M
OCD8	3722-9024 Rent Assistance	75.573M	63.009M
OCD9	3722-8878 RDAL	3.009M	2.847M
OCD9	3722-9027 SHARP	31.407M	30.107M

House 1 Projections

The recommended House 1 spending allocation for the Executive Office of Communities and Development is \$153.9 million. In addition, EOCD will receive \$210.1 million in federal grants and \$1.6 million in trust funds. This amount of spending includes inflation, health care for employees and raises for employees in collective bargaining units.

State funded **Community Development** (OCD2) through the distribution of "**cherry sheet**" local aid is recommended at \$1.1 million. This aid will reimburse localities for portions of costs that are related **urban renewal projects**, and distributes **revitalization grants**. Community Development Block Grant federal funding of \$28.9 million is also included in this service delivery group. Trust fund spending of \$1 million will provide development grants to small cities, and \$6 million in federal funds will target lead paint abatement. **Urban Initiatives** funding

that was included in this service delivery group in FY '93, is not included in the FY '94 House 1 budget. This project is targeted toward inner city neighborhoods for the removal of abandoned buildings. House 1 states that previously allocated funds for this project which were intended as a one-time expenditure are expected to carry in to Fiscal Year 1994.

Neighborhood Anti-Poverty Development (OCD5) initiatives are provided by EOCD's Community Enterprise Economic Development (CEED) program, the **Housing Services program**, the **Homelessness Intercept Program**, and the **Community Services Block Grant Program**. The CEED program works to encourage the creation of local business and job opportunities, and to revitalize real estate projects that serve low and moderate income households. Mediation, negotiation, tenant counseling and community education are services provided by the Housing Services Program. Intensive housing search services are provided by the Housing Intercept Program. State funding is recommended at \$6.5 million in House 1. Federal funding of \$9.8 million for Community Services Block Grants will be distributed to an estimated 24 Community Action Agencies to help people obtain and maintain adequate housing and other related services.

The **Rental Assistance (OCD8)** voucher program will see a reduction in budgetary funding from FY '93 if allocated at the House 1 level. Proposed House 1 funding for this service is \$63 million. Federal funding for rental assistance vouchers is \$100.5 million. A reduction in spending for this program comes as a result of several proposed modifications to the new **Massachusetts Rental Voucher Program (MRVP)**. These modifications include changing income eligibility from 200% of the federal poverty level to 175% of the federal poverty level.

House 1 shows that **Private Development of Affordable Housing (OCD9)** is recommended at \$42.4 million. It is also anticipated that \$4 million will be available in FY '94. Both the **State Housing Assistance for Rental Production (SHARP)** and the **Rental Development Action Loan Program (RDAL)** are included in this service delivery group.

Office of the Secretary of Education
Executive Office of Education

Description

The Executive Office of Education advises the Governor on educational policy and is to develop an integrated policy for elementary, secondary, higher education, and adult education programs. With the Higher Education Coordinating Council, the Executive Office is restructuring the University of Massachusetts from five independent institutions into a single system. With the Futures Commission, it is clarifying the missions and the funding mechanism for the 24 state and community colleges. The Office of the Secretary also supports the "School of Excellence," which gives high-achieving 11th and 12th graders the opportunity to advance in science and math by taking courses at a higher education campus.

Total Funding FY'93: \$9.437M (A)
 FY'94 House 1: \$9.450M (A)

Appropriations for Selected Accounts

<u>SDG</u>	<u>Line Item</u>	<u>FY'93</u>	<u>House 1</u>
EOE2	7005-0003		
	7005-0005		
	7005-1000		
	SDG Total		
	Education Initiatives	\$8.519M	\$8.454M

House 1 Projections

Although the House 1 dollars are slightly lower than FY'93, House 1 projects that at this level, the Secretariat will have \$500,000 more to expand the School of Excellence at Worcester Polytechnic Institute to a total of 50 students.

Additional Proposals

The "budgetary spending" recommendations include a tuition tax credit of \$20M for students and families attending public and private higher education institutions in Massachusetts. Outside sections include proposals to allow higher education institutions to retain 100 percent of their tuition revenues and supporting the Mass Ed-On-Line initiative. This initiative supports the use of educational technology, including telecommunications linking all colleges, universities, and public schools; training for education professionals; and support for technology that increases parent involvement in education.

Department of Education

Description

The mission of the Department of Education (DOE) is to provide all students in the Commonwealth with the values, knowledge, and skills necessary to achieve their full potential and contribute to the civic and economic life of our diverse and changing society. To this end, the DOE provides technical and financial support to municipalities, local, and regional public school districts and community-based organizations. It supports programs for children aged 3 to 22, and adults who need basic education or English as a second language. The DOE sets standards for professional personnel, required courses, and buildings for all public schools, and it oversees state and federal regulatory mandates regarding education, such as equal access, school day, and school year regulations. It is the lead agency to implement the administration's educational reform initiative, in anticipation of educational reform legislation.

Total Funding	FY'93:	\$1.653M (A)	\$.412M (O)
	FY'94 House 1:	\$1.475M (A)	\$.417M (O)

Appropriations for Selected Accounts

The list below gives line item names only for accounts traditionally covered by the Children's Budget.

<u>SDG</u>	<u>Line Item</u>	<u>FY'93</u>	<u>House 1</u>
DOE1	7030-1000 Early Childhood Education	\$ 12.9M	\$ 12.9M
	7030-1500 Head Start	\$ 6.0M	\$ 6.0M
	SDG Total Early Childhood/Head Start	\$ 18.9M	\$ 18.9M
DOE2	7035-0004 School Transportation		\$ 57.6M
	7035-0006 Regional Transportation		\$ 26.9M
	7061-0003 Chapter 70 School Aid		\$ 100.4M
	7061-0008 Equal Opportunity Grants		\$ 898.1M
	7061-1000 Local Aid for Education	\$1,378.9M ¹	\$ 105.5M
	SDG Total Local Aid for Education		\$1,188.6M
DOE3	SDG Total School Construction	\$ 150.7M	\$ 150.7M
DOE4	7010-0012 Racial Imbalance Program		\$ 13.2M
	7010-0042 Equal Education Improvement		4.8M
	7010-0043 Racial Balance	\$ 25.2M	8.4M
	SDG Total Racial Balance	\$ 25.2M	\$ 26.4M
DOE6	7010-0008 Professional Development		\$.1M
	7027-1000 Professional Development		\$ 2.1M
	SDG Total Professional Development	\$ 2.1M ¹	\$ 2.2M

DOE7	7010-0025	Student Testing	\$	1.1M
	7027-0016	School-to-Work	\$	.9M
	7030-2000	Basic Skills/Dropout Prev.	\$	2.0M
	7032-0500	Comprehensive Health	\$	10.5M
	7032-xxxx		\$	.3M
	SDG Total	Curriculum/Achievement	\$ 65.4M ¹	\$ 14.6M
DOE9	7028-0031	Institutional Schools	\$	8.6M
	7028-0302	Private Schools	\$	4.1M
	7061-0012	Residential Schools	\$	27.2M
	SDG Total	Special Education	² \$	39.9M
DOEA	7053-1909		\$	5.4M
	7053-1925		\$	.9M
	SDG Total	School Breakfast/Lunch	² \$	6.3M

¹ Resources for this SDG were in a different SDG in FY'93.

² FY'93 resources for this SDG are not identified in House 1.

House 1 Projections

DOE1: DOE grants will provide **kindergarten** for 7,400 5-year-olds and **preschool** for 6,400 3- and 4-year-olds.

DOE2: House 1 recommends \$1.19 billion for **"cherry sheet" disbursements**, supplementing the primarily local funding for more than 845,300 children in Massachusetts public schools. The proposed budget includes no expansion money for **educational reform**. The Governor has stated that he will include this money in the FY'94 budget if the reform bill passes.

DOE3: The House 1 recommendation fully funds the **school construction and renovation** project list frozen in FY'92.

DOE4: House 1 includes \$1.2M to restore the FY'92 reduction in METCO services.

DOE7: This SDG includes funding for **school curricula, testing, job preparedness training, school dropout prevention, and comprehensive health education**. The administration plans **new initiatives** to prevent youth violence, teen suicide, and smoking.

DOE9: **Special needs** funding includes 50 percent reimbursement for cities and towns for 950 children who require **residential placements** and about 850 children in **institutional settings**, such as DYS facilities.

DOEA: The state funding leverages \$123 million in federal grants for **food and nutrition programs**.





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**Statewide Advisory Council
of the Massachusetts Office for Children**

**CHILDREN'S
BUDGET
FY '95**

April 1994

GOVERNMENT DOCUMENTS
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**Statewide Advisory Council
of the Massachusetts Office for Children**

**Children's Budget
FY '95**

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The Commonwealth of Massachusetts

Office for Children Statewide Advisory Council

Alma Finneran
President

Ann Kramer
Chairman

Dear Friends of Children:

Pursuant to its mandate in Chapter 28A of the Massachusetts General Laws, "to advise on policy, planning, and priorities of need in the Commonwealth for services to children", the Statewide Advisory Council (SAC) to the Massachusetts Office for Children issues its annual **Children's Budget**.

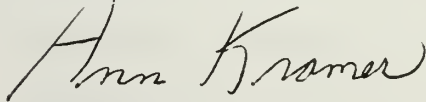
Our document includes our priority recommendations for the new fiscal year. They represent appropriate investments which will better ensure that children in Massachusetts have every opportunity to lead healthy and productive lives. Failure to make such investments may ultimately cost the state more money in expensive programs for young people and families who were denied access to certain basic needs, health and child care services.

The Statewide Advisory Council hopes that this year's **Children's Budget** contributes to the Legislature's and the public's understanding of the importance of public expenditures for children and families.

Sincerely,



Alma Finneran
President



Ann Kramer
Chairman

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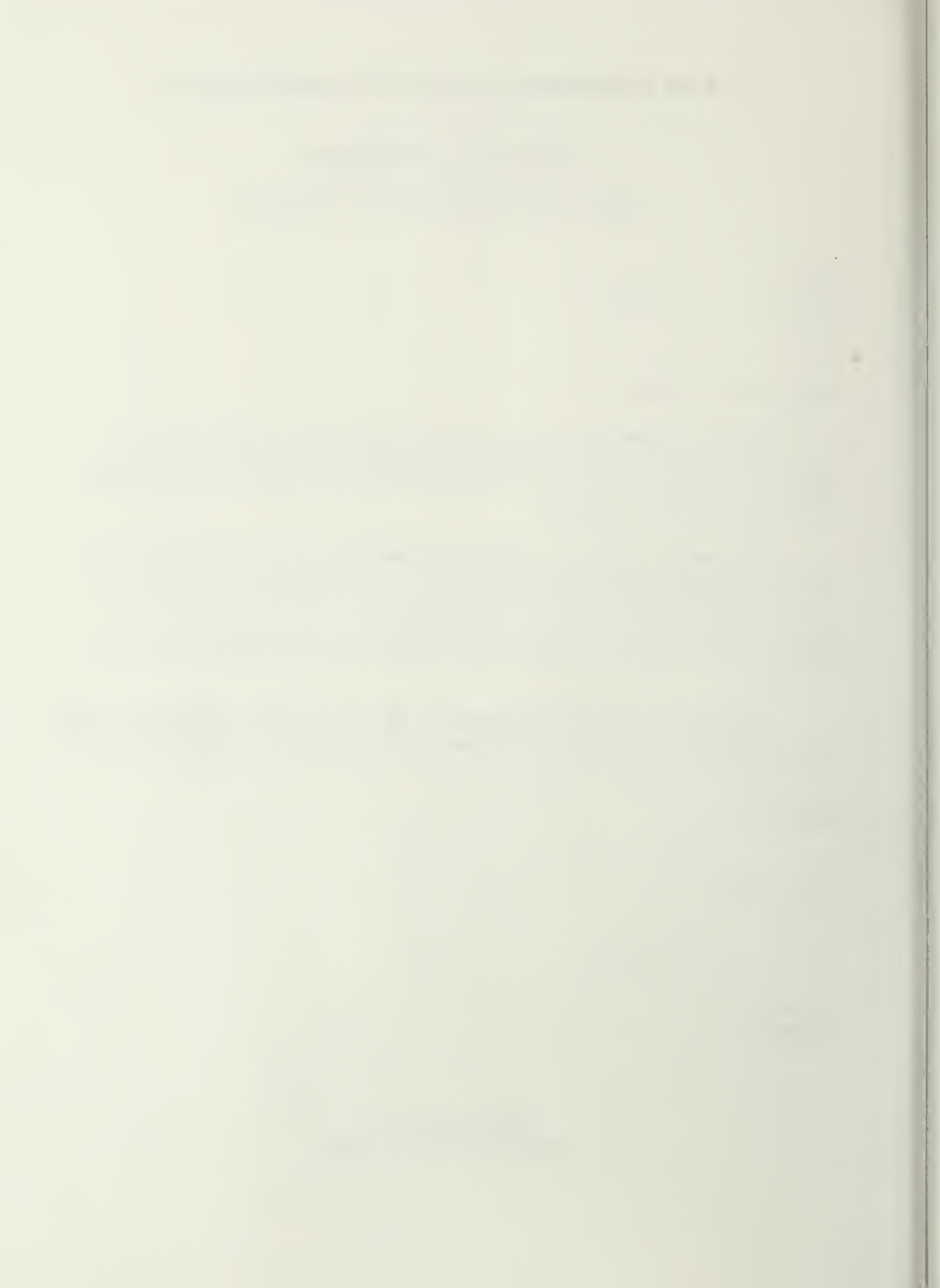


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Recommendations

Based on proposed spending allocations in House 1, the Office for Children Statewide Advisory Council makes the following recommendations to state officials involved in the preparation of the FY '95 budget:

Office for Children

The OFC/SAC believes that OFC no longer has adequate funding to meet its statutory responsibilities to children and families.

Chapter 28A requires that OFC serve as the coordinator of children's services and as an advocate for children who are in need of services. Family support and prevention services are required by Chapter 28A. However, cuts in funding since FY '89 have eliminated over 40 children services coordinators who were available to children and families as well as state, local and private service providers. This staff facilitated access to services, negotiated fair and reasonable sharing of costs and responsibilities and gathered up-to-date accurate data regarding children's needs and the effectiveness of services.

No equivalent service has been offered to protect children from "falling through the cracks" of agency labeling and limited budgets. No ongoing assessment tool is available to determine the effectiveness of our children's programs. Instead, almost all OFC funds and staff are focused on one service - child care - leaving the rest of the children's services unmonitored and in many cases inaccessible.

The SAC believes that this family support service is needed now more than ever. Continuing cuts in services and multiple reorganizations of the remaining services has widened the "cracks" in children's services. All too often, children must be in crisis before services are provided. "Crisis intervention" rather than "crisis prevention" has become the standard.

In FY '95, SAC proposes an addition of \$400,000 in the OFC budget to fund 10 children's services coordinators to work out of the 5 OFC regional offices. This staff would be knowledgeable about all services available to children in the region including: mental health, medical, abuse prevention and protection, child care, foster care, adoption, special education, financial and housing services. This staff would provide information and "hands-on" assistance to children and families in need of such services. Additionally, this staff would compile much needed information regarding the types of services needed and the extent to which the needs are met.

Children's Trust Fund

Child Abuse Prevention

The OFC/SAC supports increased efforts to prevent child abuse by creating a revenue stream through a surcharge on marriage certificates and divorce filings. A \$20 surcharge on both the marriage certificates and divorce filings will yield an average of \$1 million to the Trust Fund to extend effective efforts of child abuse prevention through public awareness and education, school-based curriculum development, parent support, and newborn home visiting initiatives.

Child Care

The OFC/SAC recommends an expansion in the budget for DSS teen parent day care from \$3.8 million to \$4.3 million. This is a program which has consistently demonstrated success in supporting young parents to complete their education, improve their skills as parents, reduce the rate of repeat, unplanned teen pregnancies, and move into a productive, self supporting work life. Modest regular increases in this program will more than repay the Commonwealth in later years.

The OFC/SAC recommends the creation of a Quality and Parity Reserve Fund (for both contract and voucher providers) at the Executive Office of Health and Human Services in the amount of \$9 million to provide for the following:

- ▶ an increase in the rates for the lower-funded programs identified during the Market Rate Survey
- ▶ an increase in the salaries in order to start to bring them in line with the Component Pricing Catalog figures established by the Bureau of Purchased Services

The OFC/SAC recommends for the restoration of the Commonwealth's support of the Child Care Resource and Referral Agencies (CCRA's) in order to create the information and referral services and data collection capacity needed to strengthen parental choice, governmental planning and coordination of services needed for a truly supportive child care delivery system. The SAC recommends funding CCRA's at \$1.3 million in FY '95.

Department of Public Health

Teen Pregnancy Prevention Challenge Fund

Currently, \$1.98 million is allocated to the Department of Public Health for teen pregnancy prevention programs in twelve communities across the Commonwealth. The Teen Pregnancy Prevention Challenge Fund is the state's only initiative aimed exclusively at preventing teenage pregnancy. These programs have had a remarkable success

cutting teen pregnancy rates. Challenge Fund communities have shown decreases in teen pregnancy rates while other communities without Challenge Fund services have had an increase in teen births. Today, Massachusetts has the highest unwed teen pregnancy rate in the country. The OFC/SAC recommends an increase of \$1 million to this highly effective program. This additional allocation would bring new communities into the program, and allow currently funded communities to serve more youth at risk of teen pregnancy.

Department of Youth Services

DYS has been plagued by the increase in the number of youths committing violent crimes and severely overcrowding its facilities. The Hogan Committee was appointed by the Administration to study DYS operations and address these issues. The FY '95 budget recommendation of \$67.03 million for DYS will nearly cover the recommendations made by the Hogan Committee. It is apparent, however, that an additional \$5 million should be added to the Department's budget to make necessary enhancements to the DYS system. The expected changes in the system during FY '95 include:

- ▶ Add 200 additional bed to alleviate overcrowding
- ▶ Hire 70 community monitors to implement intensive supervision of youth in the community
- ▶ Develop regional-based detention units to include space for violent pre-arraigned youth
- ▶ Overhaul the Classification System
- ▶ Provide regional Assessment Units and transportation availability
- ▶ Provide training for DYS staff and other agencies on the violent and sexually dangerous delinquent

Department of Social Services

The OFC/SAC applauds the significant increase in the permanency planning account and urges the Legislature to support the Governor's proposed funding level. In other accounts, DSS has not been given the funding necessary to support the recommendations of the Governor's Foster Care Commission. The SAC urges the Legislature to support additional funding for social workers and the family stability and unification accounts as a means of increasing the resources available to troubled children and families.

Executive Office of Health and Human Services

The SAC recommends establishment of a pilot family support program based in the Executive Office of Health and Human services to establish a Cabinet-level body to coordinate children's policy and service delivery. Budget language should require that the child-serving agencies --- DSS, OFC, DMH, DMR, DPH, DYS, DPW, DOE --- allocate staff time to this body as a means of facilitating budget and policy analysis across all child-serving agencies. This pilot program would require a modest initial funding of \$150,000 for planning.

Department of Mental Health

The OFC/SAC recommends an increase of \$2 million to develop critically needed cost effective community and home-based services that will prevent out of home placements for children and adolescents. The SAC also recommends creating specific children's accounts in each of the new area accounts to ensure that these children's services are protected.

Department of Mental Retardation

The SAC recommends an increase of \$2 million in the child adolescent account to develop critically needed, cost effective, community and home-based services that will prevent out of home placements for children and adolescents. the SAC also recommends the merging of all children's funding, including respite, into one children's account to ensure that children's services are protected.

Division of Medical Assistance

In 1991, young people ages 18 to 20 years old were cut from Medicaid eligibility even though cost estimates for care were quite low. The OFC/SAC recommends restoring these benefits which would allow early, cost-effective access to critical prevention and intervention services.

Notes on The FY '95 Children's Budget

Format

The State budget is an important tool for making public policy. It describes how billions of public dollars are to be spent during the state's fiscal year, which begins on July 1 and ends the following June 30. The Children's Budget describes services provided to children and families. It also outlines House 1 spending recommendations proposed for each child-serving state agency and Executive Office. Spending recommendations by line items are compared to the previous fiscal year's budgetary allocations.

The FY '95 Children's Budget has been categorically organized under the following headings:

Description: Services and proposed House 1 budgetary allocations are outlined by Executive Office (Executive Office of Health and Human Services, Executive Office Communities and Development, Executive Office of Education), and by agency (Dept. of Mental Health, Mass. Commission for the Blind, etc.). This section describes the mission goals and services provided by these offices.

Total Funding: House 1 proposed funding is compared to the FY'94 allocation in this section. State appropriated funds are separated from the other types of funding afforded to many agencies (e.g. federal grants). In this section, state appropriated funds are marked (A), and other types of funding are marked (O).

Appropriations for Selected Accounts: Proposed House 1 appropriations are compared to the FY '94 allocations in this section. Accounts are listed by Line Item. A Line Item is a separately identified unit of appropriation. The Massachusetts budget has approximately 750 line items each of which is assigned an eight-digit account number.

House 1 Projections: This narrative section describes proposed funding for key child and family service programs within each of the agencies and Executive Offices. Additional Proposals are included in this section. Some agencies are relying on new legislation to be passed, in order to be funded at the House 1 level.

Comments: Through review and analysis of proposed spending within several agencies, the Statewide Advisory Council highlights the implications of these proposals in this narrative section.

Executive Office of Health and Human Services

Description

EOHHS establishes policy, coordinates services and reviews budgets for 16 agencies. The Secretary's Office ensures that assistance provided to children and families from its health and human service agencies is accomplished in the most appropriate and cost efficient manner.

Total Funding	FY'94:	\$146.273M	(A)	\$52.058M	(O)
	House 1:	\$ 37.265M	(A)	\$52.434M	(O)

Appropriation for Selected Accounts

<u>Line Item</u>	<u>FY'94</u>	<u>House 1</u>
4000-0100 Secretary	\$2.072M	\$2.002M
4000-0105 Anna Casey Retained Rev.	\$3.000M	\$3.000M
4000-0190 Day Care Adm.	\$.410M	\$.410M
4000-0200 Voucher Day Care	\$86.000M	\$12.40M
4000-0201 Massjobs Day care	\$12.000M	\$0.0
4000-0240 Dom. Violence	\$0.0	\$4.06M

House 1 Projections

The House 1 budget recommends an expansion of \$15 million for a purchase of service enhancement program, \$4.06 million for domestic violence expansion, and \$12.8 million for the Employment Support Program within the Department of Public Welfare.

In FY '95, EOHHS will direct the initiative to reform AFDC. The House 1 budget indicates that the Secretariat is requesting permission from the federal government to create the Employment Support Program. Working parents who meet the AFDC eligibility criteria would child care, medical coverage and education and training support services under this new initiative.

Through its Purchase of Services initiative, EOHHS will provide \$15 million in grants to service providers that improve services for consumers through efficiency and innovation efforts.

EOHHS in conjunction with the Governor's Domestic Violence Commission will increase efforts to prevent domestic violence. A total of \$4.06 million from a reserve account will be used to assist battered women's shelters to come into compliance with standards established by the Department of Social Services, and to expand services for cultural and linguistic minorities and teens in violent relationships. Funding will also be used to expand the total number of centers where non-custodial parents accused of domestic violence can visit their children.

In FY '95, contracted and voucher day care programs will be transferred to the Department of Social Services and the Department of Public Welfare.

Comments

Child Care: It will be important while establishing priorities in the FY '95 budget for the child care needs of current and transitional AFDC recipients and former recipients, to keep supporting and increase the support for the child care needs of the working poor and nearly poor, those who not been receiving welfare benefits but who are vulnerable. The principle of continuity of care becomes less meaningful if the resources are not there to provide child care for the family who moves, whose children age out of particular programs, or who needs different hours of care as the family needs change over time. Quantity must also not be purchased at the price of quality. Adequate resources allocated to the licensing and monitoring of child care facilities and resources specifically targeted to upgrading the wages of qualified child care staff must be part of the allocation of funds in FY '95. The Commonwealth should plan for modest growth in support of child care services based upon regularly updated supply and demand data and the monitoring of funded programs to determine which models are effective.

Massachusetts Commission for the Blind

Description

The Massachusetts Commission for the Blind (MCB) advocates and provides services which enables blind individuals to lead more fulfilling lives. Services for children include : after school programs from ages 7-12; case management and assistance with medical services to ages 14; vocational counseling over age 14; and special services for children with multiple disabilities, particularly, deaf-blindness and deaf-retardation. MCB also provides residential and non-residential services for young people who lose eligibility for special education at age 22.

Total Funding	FY'94:	\$19.3M (A)	\$6.4M (O)
	House 1:	\$20.4M (A)	\$6.8M (O)

Appropriation for Selected Accounts

<u>Line Item</u>	<u>FY'94</u>	<u>House 1</u>
4110-0001 Comm for Blind	\$.696M	\$.701M
4110-1000 Community services	2.416M	2.418M
4110-2000 Turning 22	4.517M	5.365M
4110-3010 Voc. Rehab	1.209M	1.198M
4110-4000 Ferguson Wrkshps.	1.730M	1.718M
4110-1010 SSI	8.440M	8.611M
4110-1020 Medicaid	.373M	.374M

House 1 Projections

The House 1 budgetary spending recommendation for MCB is \$20.4 million. This amount will be supplemented by \$6.7 million in federal grants and \$135,000 in trust funds.

The Administration recommends increasing the MCB budget by \$250,000 to provide services and residential care for deaf-blind and disabled young people who will turning age 22 in FY '95.

As part of the Governor's proposed Tax Reform package, blind individuals would receive a \$500 increase in personal exemptions.

The Mass. Commission for the Blind relies on the following non-tax revenue generation in Fiscal Year 1995:

- ▶ \$770,000 for sales from industries for the blind
- ▶ \$1.3 million from community services federal reimbursement

Massachusetts Commission for the Deaf and Hard of Hearing

Description

The Massachusetts Commission for the Deaf and Hard of Hearing (MCDHH) is the lead state agency that provides services on behalf of deaf, late-deafened, and hard of hearing people. These services are designed to enable them to live independently. Children may use its interpreter/communication services, case management, and referrals for assistive technology. MCDHH also provides education and early intervention information, referral, and advocacy for parents and families. It contracts for services to train and support youth and young adults for independent living.

Total Funding

FY'94:	\$2.9M (A)	\$.82M (O)
House 1:	\$3.6M (A)	\$.83M (O)

Appropriation for Selected Accounts

<u>Line Item</u>	<u>FY'94</u>	<u>House 1</u>
4125-0100 Admin.	2.878M	3.598M
4125-0101 Interp.Serv./Ret.Rev.	.02M	.02M

House 1 Projections

House 1 recommends a total \$3.6 million to be spent in state funds, and an additional \$800,000 to be spent from Federal grants and trust accounts. It is expected that the MCDHH will retain state budgetary revenue in the amount of \$20,000 during Fiscal Year 1995.

The Mass. Commission for the Deaf and Hard of Hearing will contract with Hearing Loss Help Centers in the new fiscal year to assist the underserved populations of hard-of-hearing people who have become hearing impaired later in life. MCDHH projects that over 450 people will receive these services. The agency will also provide independent living training and support services to approximately 600 new clients. It is expected that MCDHH will also train an additional 1,500 people in communication access.

The Mass. Commission for the Deaf and Hard of Hearing relies on \$70,000 on revenue collected from interpreter services during Fiscal Year 1995.

Massachusetts Rehabilitation Commission

Description

The Massachusetts Rehabilitation Commission (MRC) provides comprehensive services that help people with disabilities to live independently and work. It determines eligibility for Social Security Income/Disability Income (SSI/SSDI) benefits for persons with disabilities who cannot work and low-income families of children with disabilities. Children are typically recipients of educational and vocational services through their schools. Before graduation or turning 22, however, young people may contact MRC for vocational and independent living assistance. The Turning 22 Independent Living Program provides planning and community-based residential services for 120 individuals leaving special education programs.

Total Funding

FY'94:	\$27.1M (A)	\$72M (O)
House 1:	\$27.5M (A)	\$74M (O)

Appropriation for Selected Accounts

<u>Line Item</u>	<u>FY'94</u>	<u>House 1</u>
4120-1000 Administration	\$.319M	\$.310M
4120-2000 Voc Rehab	6.318M	6.318M
4120-3000 Employ. Asst.	6.675M	6.676M
04120-4000 Indep. Living	3.56M	3.97M
4120-5000 Homecare Services	3.82M	3.81M
4120-6000 Head Inj. Services	6.48M	6.49M

House 1 Projections

House 1 recommended spending for the Massachusetts Rehabilitation Commission for Fiscal Year 1995 is \$27.5 million. Additional sums including \$71.2 million in federal grants and \$3 million in trusts bring the total spending to \$101.8 million.

MRC will, during FY '95, focus on customer needs, assist employers with implementation of the non-discrimination requirements of the Americans with Disabilities Act, and emphasize the advantages of employing qualified people with disabilities.

The Commission will also update its housing registry (list of disabled-accessible housing in Massachusetts) to include housing vacancy information. MRC will continue to process claims for Supplemental Security Income and Disability Insurance Programs, which allow people with disabilities, especially those who are homeless or have AIDS, to live independently and, if possible, return to work.

Department of Medical Security

Description

The Department of Medical Security (DMS) manages a variety of insurance programs for low-income uninsured people. The Pediatric Health Insurance Program ("Healthy Kids") subsidizes health insurance for low-income parents of children up to age six. People receiving unemployment benefits may receive free health insurance through the Medical Security Plan. The uncompensated ("free") care pool pays for needy people to receive hospital care. DMS also supports community health centers to offer preventive and primary care.

Total Funding

FY'94: \$11.0M (A) \$435.1M (O)
House 1: \$19.0M (A) \$429.5M (O)

Appropriation for Selected Accounts

<u>Line Item</u>	<u>FY'94</u>	<u>House 1</u>
4600-1000 Administration	\$.704M	\$.720M
4600-1050 Uncomp Cr.Pool Admin.	1.249M	1.254M
4600-1200 Preventive Pediatric Cr.	4.273M	12.27M
4600-1210 Man.Cr.Comm.Hlth Ctrs.	5.8M	5.943M
4600-1230 Boston Hlth Cr/homels.	.3M	.3M

House 1 Projections

House 1 shows that the budgetary recommendation for DMS is \$19.0 million. It is anticipated that the Department will also spend nearly \$429 million from trust funds.

It is proposed that in FY '95, two insurance programs for children (one for children ages birth to 6 years and another for children ages 6 to 12 years) be consolidated and managed by the Department of Medical Security. This Children's Health Initiative will require an \$8 million transfer from the Department of Public Health to DMS so that an additional 10,000 children and their families may be served during the new fiscal year.

It is imperative that current state law be changed to include language to keep the private sector liability to the free care pool at the FY '93 level of \$315 million. A lower private sector ceiling will reduce expected federal disproportionate share hospital reimbursements of \$121 million. Without this statutory change, service delivery will be in jeopardy and recommended funding levels will be inadequate.

Division of Medical Assistance

Description

The Division of Medical Assistance reimburses providers for medical services given to eligible Medicaid and CommonHealth program recipients. The Medicaid program provides health coverage to low-income families and the chronically disabled, as well as long term care to the elderly. It is the primary provider of health care coverage for 650,000 individuals; approximately 10% of the Commonwealth's residents. The CommonHealth Program provides affordable health care coverage to approximately 3,200 disabled working adults and disabled children who do not qualify for Medicaid.

Total Funding

FY'94:	\$3.309B (A)	\$.375M (O)
House 1:	\$3.396B (A)	\$.375M (O)

Appropriation for Selected Accounts

<u>Line Item</u>	<u>FY'94</u>	<u>House 1</u>
4000-0300 Admin.	84.77M	94.35M
4000-0430 CommonHealth	18.27M	19.14M
4000-0500 Medicaid Managed Care	808.5M	950M
4000-0600 Medicaid/Long Term	1.075B	1.127B
4000-0800 Medicaid/Prior Yr.	800M	700M

House 1 Projections

The House 1 projection for total budgetary spending for the Division of Medical Assistance (DMA) in FY '95 is \$3.396 billion of which \$65 million will come from retained revenue. An additional .375 million is expected from federal grant monies.

In FY '95, the Medicaid program plans to implement automated pharmacy controls designed to limit abuse and overuse of medications prescribed to Medicaid recipients. These controls should save the Commonwealth an anticipated \$20 million during FY '95.

DMA further intends to implement performance targets and management plans for providers thereby refining the Managed Care Program. Utilization reviews and placement activities will be refined to ensure that long-term and acute and chronic care facilities provide treatment in the most appropriate, least costly setting. Expanded efforts to identify all potential third party payers will be made.

The Division plans to take significant steps toward stemming the rising cost of medical services and developing a comprehensive agenda for health care reform. DMA will participate in the development of a comprehensive health care reform strategy aimed at lowering the numbers of people with no health care coverage.

DMA will continue special payments to Boston City and Cambridge City hospitals to compensate these facilities for the disproportionate level of free care that they provide. These payments will total \$39.4 million in FY '95.

In FY '95, the renewal of Medicaid's home and community based waiver will enable 5,900 citizens with mental retardation to receive services in community settings.

DMA will earmark \$2 million, including a \$900,000 expansion over FY '94, for the early treatment of HIV infected patients who are not yet eligible for Medicaid coverage.

Reorganization goals for FY '95 include combining the Division's line item for administration with its contracted services line item as part of a continued effort to improve administrative efficiency. Also, \$9.3 million of Medicaid-related functions and staff will be transferred from the Department of Public Welfare to the Division of Medical Assistance. Finally, \$31.9 million that was included in the Medicaid Program in FY '94 will be transferred to the Department of Mental Retardation which will assume full financial responsibility for the Immediate Care Facilities for Individuals with Mental Retardation in Fiscal Year 1995.

The following changes in state law are necessary to ensure adequate service delivery and funding levels:

- ▶ Language to ensure that the Commonwealth receives all available federal disproportionate share revenue
- ▶ Language to amend state law to bring it into compliance with Title XIX provisions governing Medicaid long-term care eligibility and estate recovery
- ▶ Language to enable DMA to create a trust fund for the development of a new Medicaid Management Information System (MMI).

The FY '95 budget recommendation for DMA is dependent on achievement of the following levels of non-tax revenue generation:

- ▶ \$1.556B in federal reimbursement for health care services provided to Medicaid recipients will be deposited in the General Fund, including \$3M in new federal reimbursement for family planning activities
- ▶ \$233M in continued federal reimbursements for health care services, including a \$14M increase to hospitals providing a disproportionate level of free care
- ▶ \$65M in revenue from drug company rebates, estate recoveries, and other collections will be retained, plus an additional \$10M in collections that will be credited to the General fund
- ▶ \$60.8M in federal reimbursements for DMA's administrative costs will be deposited in the General Fund
- ▶ \$19.7M for intergovernmental transfers from Boston City and Cambridge City hospitals
- ▶ \$4M in federal reimbursements for Medicaid-eligible services provided to CommonHealth enrollees will be collected, along with \$.9M in premium collections
- ▶ \$1M in federal reimbursement will be derived from municipal spending on services provided to learning disabled children.

Comments

The major gap in the Medicaid budget continues to be coverage for 18, 19, and 20 year olds. These adolescents were cut from eligibility in 1991, and are still left out in the cold. These cuts affect children of AFDC recipients, children of poor families who do not receive AFDC but are Medicaid eligible, and some newly arrived immigrant teens.

The primary concerns regarding children and adolescents in the Medicaid Managed Care program, and any future health reforms, are comprehensive coverage for disabled children and coverage for school-based health clinics. Disabled children often need a broader array of services, including case management, to be maintained at home. The "medically necessary" standard must be more comprehensive for these children so that they can function at home and in their communities.

Currently, adolescents seeking health care at their school-based clinics must get an approval from a primary care clinician (PCC) prior to receiving services. Many adolescents are not going to go to a PCC first and therefore may avoid seeking out critical prevention and early intervention services at the school-based clinic.

Department of Mental Health

Description

The Department of Mental Health (DMH) provides inpatient, outpatient, residential, and a range of community services to children and adolescents who are Seriously Emotionally Disturbed (SED) or mentally ill. A new delivery system, called the "Comprehensive Community Support System" (CCSS) was implemented to provide children and adolescents with an array of integrated services that promote independence and recovery in the community of their choice. CCSS provides a range of services that eliminates the stigma of mental illness and allows children to develop a sense of personal achievement and empowerment.

The Department of Mental Health currently serves approximately 9,800 Seriously Emotionally Disturbed children and adolescents each year. Programs for children and adolescents include 24-hour crisis intervention and emergency services; home and school based family treatment; day and residential services; inpatient care and case management. Coordination with other state child serving agencies and Medicaid managed care is an essential component of planning and program development since mental health services for children are addressed and provided by multiple agencies.

Total Funding

FY'94:	\$507.2M (A)	\$16.4M (O)
House 1:	\$505.2M (A)	\$14.0M (O)

Appropriation for Selected Accounts

<u>Line Item</u>	<u>FY'94</u>	<u>House 1</u>
5011-0100 Administration	\$15.136M	9.81M
5046-0000 Adult MH	201.47M	228.97M
5046-1000 Rent Subsidies	2.516M	2.607M
5046-3000 Homelssns Prev.	2M	4.095M
5047-5000 Child/Adolescent	54.971M	54.160M
5049-0000 Forensic	9.239M	9.239M
5051-0100 CMHCs	80.810M	76.058M
5095-0000 Facilities	124.070M	104.660M

House 1 Projections

The House 1 budget indicates that proposed spending is targeted at \$505.2 million in state allocated funds during FY '95. The

Department will also receive \$1.1 million in federal funds as well as \$12.9 million in trust funds.

In line with its on-going initiative to promote a children's service system aimed at maintaining children with their families, DMH plans to expand interagency planning and systems of care for children in the Boston area. This will enable seriously emotionally disturbed children and adolescents to receive treatment while they also continue to live at home.

The House 1 FY '95 budget recommendation relies on non-tax revenue generation of \$53.2 million in continued federal and third-party reimbursements from adult case management and residential rehabilitation services, adult inpatient care in acute care replacement units and state hospitals, and children's inpatient and community services.

The proposed DMH FY '95 budget also reconfigures FY '94 accounts and appropriates funds by service areas rather than by service type.

Comments

The best DMH budget news is that Department has received approval of a four year grant from the Casey foundation to develop a coordinated mental health service network for children and adolescents in a Boston neighborhood. This money will be matched by an EOHHS reserve account (4000-0105) of up to three million per year. Child advocates will monitor this program closely.

The total funding for DMH children's services (5042-5000) has been level funded this year, but the account structure has been altered into an area account structure. Child advocates are very concerned about this change because there are no specific children's accounts in each of the seven new area accounts, which historically has meant that children's money was spent on adult services. DMH has given assurances that this will not happen and added line item language to each area account that states, " that the distribution of child and adolescent services is maintained at the same level as FY '94".

Another major concern is that of inequity between service areas regarding total dollars allocated to children's programs. This inequity must be addressed and more resources must be identified for those areas that have the most limited amount of services to offer. There also needs to be continuing emphasis placed on building the community-based services and home-based services needed by children and families to prevent out-of-home placements whenever possible. DMH must make this their highest priority for children, adolescents, and their families.

Department of Mental Retardation

Description

The Department of Mental Retardation (DMR) manages an array of residential, day, and support services for people with mental retardation. For children with mental retardation or autism, DMR's goal is to ensure that children live in familial situations and participate fully in their communities. It offers a range of family support services, including respite care, case management, behavioral management training, crisis intervention services, intensive in-home supports, and assistance accessing generic community resources such as child care and after-school programs.

Total Funding

FY'94:	\$666.4M (A)	\$3.3M (O)
House 1:	\$701.3M (A)	\$3.7M (O)

Appropriation for Selected Accounts

<u>Line Item</u>	<u>FY'94</u>	<u>House 1</u>
5911-1000 Administration	6.740M	6.740M
5920-1000 Admin. community	8.311M	8.953M
5920-2100 Resid./Day and Turning 22	386.19M	422.80M
5920-8000 Child./Adolescent Comm.	3.536M	3.536M
5930-1000 Facilities	269.96M	268.21M
5948-0012 Residential	.800M	1.250M

House 1 Projections

House 1 indicates that the FY '95 budgetary spending recommendation for DMR is \$701.3 million. An additional \$1.2 million in intragovernmental services and \$2.4 million in trust funds increases the total projected spending to \$705 million.

DMR will reconfigure its emergency respite care service delivery system in FY '95. The Department plans to redirect dollars from respite care beds in facilities to more flexible family support programs. The new respite system will focus on in-home supports rather than on lengthy stays in residential respite facilities.

DMR will also continue to expand its Turning 22 program by funding \$4.4 million of services in FY '95. An additional 167 individuals with mental retardation who have turned 22 and who have not received services from the Department will thus be served.

In conjunction with the Department of Education, DMR will continue to provide services to children in special education programs and more effectively coordinate services for prospective graduates from those programs. Spending for these services is expected to exceed FY '94 spending by \$450,000.

The Fiscal Year 1995 budget recommendation for DMR relies on non-tax revenue generation in the following areas:

- ▶ \$114 million in Medicaid reimbursements for facilities
- ▶ \$92 million in Medicaid reimbursements from qualified community services provided under DMR's Home and Community-Based Waiver
- ▶ \$5.2 million in Medicaid reimbursements for the Service Coordination program
- ▶ \$2.5 million in consumer charges for care.

The proposed DMR budget for FY '95 consolidates adult community services, turning 22, transportation, respite, and community support programs into one budgetary spending account. This new account structure proposes to provide maximum financial flexibility and more efficient management of Department resources.

Comments

The children's account (5920-8000) continues to be level funded at \$3.5 million which is less than one percent (.005%) of the total DMR budget.

The second account that does provide some funding for children and their families is the respite account. Advocates have been very concerned about this account and have requested that children's respite services be separated from adult respite, and there be a clear accounting of how much is spent on children and adolescents. DMR has not provided this information to date, and advocates fear that children are not receiving a balanced allocation of the respite funds. Tracking this money will be further complicated by this year's proposed House 1 merger of the respite account into the community service account, where it will become impossible to monitor. House 1 also proposes a cut of \$451,000 in respite dollars, which they hope will be made up in savings from the closing of respite facilities. ARC Massachusetts

seriously questions any savings given that 50-70% of these respite beds are filled with homeless people who must be served.

The third account that will serve children is a transfer of \$450,000 from the Department of Education for residential services (5948-0012) to comply with the DOE/DMR Agreement.

The Turning 22 account (5920-5000) appears to be increased by \$8.6 million, but advocates are concerned that this will be short-lived, given that DMR is short \$7 million in its base.

It is worth highlighting that funding for all DMR services to children and adolescents represents less than two percent of the Department's budget. Much more investment needs to be made in child, adolescent and family support services to both support families and prevent more costly, restrictive, and preventable out-of-home placements.

Office for Children

Description

The Massachusetts Office for Children (OFC) establishes the administrative framework for and promotes the development of child care services. OFC licenses, monitors, and investigates complaints for over 16,700 child care facilities, including family day care homes, preschool and school age child care programs, residential group care facilities, temporary shelters, adoption and foster care placement agencies. OFC also promotes the sound and coordinated development of children's services through contracts with Child Care Resource and Referral agencies, the Children's Trust Fund for prevention of child abuse, and the interagency children's services team to resolve difficult case problems.

Total Funding

FY'94:	\$5.8M (A)	\$.59M (O)
House 1:	\$5.8M (A)	\$.61M (O)

Appropriation for Selected Accounts

<u>Line Item</u>	<u>FY'94</u>	<u>House 1</u>
4130-0001 Administration	\$.514M	\$.511M
4130-0002 Children's Trust Fund	.169M	.171M
4130-0005 Licensing Field Oper.	5.154M	5.124M

House 1 Projections

The total projected spending for OFC in FY '95 is \$6.418 million, which comprises \$5.808 million in state allocations, \$.445million in federal grant spending, and \$.165million in trust monies.

During Fiscal Year '95, the Children's Trust Fund proposes to launch a public awareness campaign to promote the Newborn Home Visiting program in Massachusetts and to administer a mini-grant program providing funds to community-based agencies that offer parent support and education programs.

OFC will provide 5,000 hours of training to 12,500 child care providers and will increase the safety of children in unregulated day care homes by bringing more homes into compliance with health and safety regulations.

OFC will institute the use of on-line access to improve the licensing process and to allow professional staff increased time to provide technical assistance and support services.

The FY '95 budget recommendation for OFC relies on non-tax revenue of \$617,050 in fees for child care licenses.

Comments

The SAC believes that OFC no longer has adequate funding to meet its statutory responsibilities to children and families.

Chapter 28A requires that OFC serve as the coordinator of children's services and as an advocate for children who are in need of services. Family support and prevention services are required by Chapter 28A. However, cuts in funding since FY '89 have eliminated over 40 children services coordinators who were available to children and families as well as state, local and private service providers. This staff facilitated access to services, negotiated fair and reasonable sharing of costs and responsibilities and gathered up-to-date accurate data regarding children's needs and the effectiveness of services.

No equivalent service has been offered to protect children from "falling through the cracks" of agency labeling and limited budgets. No ongoing assessment tool is available to determine the effectiveness of our children's programs. Instead, almost all OFC funds and staff are focused on one service - child care - leaving the rest of the children's services unmonitored and in many cases inaccessible.

The SAC believes that this family support service is needed now more than ever. Continuing cuts in services and multiple reorganizations of the remaining services has widened the "cracks" in children's services. All too often, children must be in crisis before services are provided. "Crisis intervention" rather than "crisis prevention" has become the standard.

In FY '95, SAC proposes an addition of \$400,000 in the OFC budget to fund 10 children's services coordinators to work out of the 5 OFC regional offices. This staff would be knowledgeable about all services available to children in the region including: mental health, medical, abuse prevention and protection, child care, foster care, adoption, special education, financial and housing services. This staff would provide information and "hands-on" assistance to children and families in need of such services. Additionally, this staff would compile much needed information regarding the types of services needed and the extent to which the needs are met.

Department of Public Health

Description

The Department of Public Health (DPH) offers a variety of programs to promote the health of Massachusetts citizens, including children, pregnant women, and families. Many of these programs are housed in the Bureau of Family and Community Health, which often contracts with community agencies and schools to deliver services. Through this Bureau and others, DPH offers programs to promote maternal health and positive birth outcomes; prevent infant mortality; promote children's healthy development, including early intervention for children with disabilities; prevent accidental injuries; prevent teen pregnancy; promote adolescent health; offer dental care; provide access to community-level health care; prevent and treat substance abuse; monitor and prevent communicable diseases, including childhood preventable diseases, sexually transmitted diseases, and AIDS; and monitor for environmental pollutants, including lead.

Total Funding

FY'94:	\$343.6M (A)	\$107.7M (O)
House 1:	\$361.0M (A)	\$118.3M (O)

Appropriation for Selected Accounts

<u>Line Item</u>	<u>FY'94</u>	<u>House 1</u>
4510-0100 Administration	\$ 9.537M	\$9.320M
4510-0110 Comm. Hlth. Ctr. Grants	1.127M	1.127M
4510-0600 Env. Hlth./Lead Poison	2.625M	2.801M
4512-0103 AIDS	30.451M	37.480M
4512-0110 AIDS Rental Subsidies	.120M	.120M
4512-0200 Substance Abuse	30.452M	32.411M
4512-0500 Dental Health	1.434M	1.421M
4513-1000 Family Health	28.946M	26.166M
4513-1001 Off. of Violence Prev.	.100M	.108M
4513-1002 WIC	15.593M	17.022M
4513-1005 Healthy Start	6.323M	6.312M
4530-9000 Teen Preg. Prevent.	1.977M	1.977M
4540-0900 Public Health Hosps.	34.648M	35.910M
4570-1500 Breast Cancer Prog.	4.148M	4.114M
4580-1000 Immunization	10.700M	11.289M
4512-0300 Smoking Prevention	64.000M	80.000M

House 1 Projections

The FY '95 House 1 spending projection for the Department of Public Health is \$285 million which includes \$75.4 million in retained revenue. Federal grant spending amounts to \$106.6 million, and it is expected that the Department will spend \$2.5 million in trust funds.

In Fiscal Year 1995, it is proposed that expansion resources will be targeted in the following areas:

- ▶ **AIDS Prevention and Treatment:** \$9 million for prevention, housing, treatment and substance abuse services
- ▶ **Early Intervention:** \$4.2 million for increased caseload and transportation services
- ▶ **WIC:** \$2.3 million for increased caseload
- ▶ **Batterers Treatment:** \$1.1 million for treatment of indigent perpetrators of domestic violence
- ▶ **Communicable Disease Control:** \$400,000 for rabies, tuberculosis, and sexually transmitted disease control

The Department of Public Health proposes to increase the WIC caseload by over 5,000 individuals if funded at the recommended House 1 level. Also, an additional 150 housing units will be developed for homeless individuals with AIDS or substance abuse problems.

DPH has declared domestic violence to be a statewide emergency. In response to this, DPH proposes to fund treatment for indigent, court-ordered perpetrators of domestic violence. The House 1 budget recommendation for this service is targeted at \$1.1 million.

It is also proposed that DPH will privatize the staff of its Early Intervention Program in an effort to move toward a fully vendor-operated service system.

A budget of \$80 million is recommended for smoking prevention and cessation programs in the new fiscal year. These efforts target a 50% reduction rate of tobacco use in the Commonwealth by 1999. If this goal is achieved, less than 12% of Massachusetts residents will smoke. Currently, 27% of adolescents and 23% of adults in Massachusetts smoke.

The House 1 budget consolidates the two smoking prevention and cessation to promote maximum financial flexibility and foster more efficient management of the Department's resources.

In FY '95 it is proposed that \$8 million be transferred from DPH to the Department of Medical Security for a preventive pediatric insurance program.

It is important that language be attached to the proposed budget that will ensure that Healthy Start participants have access to care in all acute care hospitals.

Comments

DPH continues to have the strongest gains for children. The Early Intervention Program has a 4.2 million increase for both caseload services and transportation. The WIC program is increased by \$2.3 million to keep up with the requirements of the Childhood Hunger Relief Act. Major smoking prevention programs are still being developed with the cigarette tax revenue of \$80 million from FY '94, which was a major boost for children's health programs.

It is disappointing, however, that the Teen Pregnancy Prevention Challenge Fund is level funded in the House 1 budget. Massachusetts now has the highest teen pregnancy rate in the country. Currently, DPH funds twelve Teen Pregnancy Prevention Challenge Fund communities across the Commonwealth. This is the state's only program aimed exclusively at preventing teen pregnancy. These initiatives have had remarkable success cutting teen pregnancy rates. Challenge Fund communities have shown a decrease in teen birth rates while similar communities without Challenge Fund services have averaged a 10% increase in teen births.

Department of Social Services

Description

The primary mission of the Department of Social Services (DSS) is to protect children from abuse and neglect and to ensure that every child has a safe, nurturing, permanent home.

In addition to receiving and responding to reports of child abuse and neglect, DSS provides home-based family support services including parent aides, family skill-building, and counseling. Approximately 25,000 families will participate in these services in FY '95. The Department also provides services to women and children who are at risk of, or who are victims of, domestic violence.

During FY '95, nearly 12,200 children who cannot remain safely at home will be placed in foster or group residential homes. Also in FY '95, DSS will subsidize approximately 6,900 adoptions and guardianships for children who cannot be reunited with their families and who require permanent alternative homes.

Total Funding

FY'94:	\$368.325M
House 1:	\$453.368M

Appropriation for Selected Accounts

Line Item	FY'94	House1
4800-0015 Central Adm.	\$19.786M	\$20.68M
4800-0016 Family Stability	\$11.141M	\$11.41M
4800-0017 Fam. Unification	\$25.976M	\$25.96M
4800-0020 Permanency	\$37.280M	\$48.09M
4800-0025 Foster Care Review	\$1.902M	\$1.906M
4800-0030 Foster Care	\$58.238M	\$74.03M
4800-0025 Foster Care-retained Rev.	\$25.0M	\$9.20M
4800-0041 Group Care	\$87.492M	\$87.49M
4800-0050 New Chardon St. Home	\$.511M	\$.507M
4800-0150 Area Adm.	\$15.950M	\$16.64M
4800-0151 Alt. for young offenders	\$.750M	\$.750M
4800-1100 Social workers	\$69.032M	\$69.55M
4800-1200 PAS/protect. serv.	\$3.228M	\$3.02M
4800-1400 Woman in Trans.	\$9.099M	\$10.59M

House 1 Projections

The state budgetary allocation for the Department of Social Services is projected at \$453.36 million. \$13 million of that total is expected to come from retained revenue. An additional \$6.2 million will be spent from federal grants, and \$45,000 will be spent from trust.

In Fiscal Year 1995, DSS plans to adjust caseload assignments, eliminate unnecessary tasks, and improve coordination of services so that social workers will have more time to work with families and be able to effect case resolutions more quickly.

A Foster/Adoptive Parent Ombudsman will work with families to mediate and resolve their concerns related to foster care placement.

As part of its ongoing mission to curb domestic violence, the Department proposes to expand support services at shelters. A funding increase of \$600,000 will be used for services such as housing search assistance, job counseling, and child care. Another \$3.6 million will be available, through a reserve established at the Secretary's Office, to improve services for battered women. The FY '95 budget includes \$900,000 in additional funding targeted to increase the number of domestic support specialists. Currently, these Domestic Prevention Advocates, who coordinate services for battered women and work with the courts, police departments, shelters, and counseling programs, are supported by federal funds at each of the six regional offices. The funding increase will be used to place specialists at each of the 26 local area offices.

The tremendous growth of the numbers of children in foster care due to increased substance abuse problems among families, coupled with an overburdened court system, has resulted in a backlog of children in DSS's custody awaiting adoption. Of 5,000 such children, only 1,100 are legally free for adoption. Chapter 303, signed into law in December, 1992, streamlines adoption and speeds up the process required to release abused and neglected children for adoption. In FY '95, DSS proposes to complete approximately 1,000 adoptions (320 adoptions were completed in FY '91) nearly 85% of which are for special needs children currently subsidized by the Department.

A \$10.8 million increase in funding for the adoption account in FY '95 may permit DSS to complete nearly 1,200 adoptions. This will be achieved through efforts in three major areas. New funding will make approximately 26 more contracted staff available for new home recruitment at each of the 26 local areas. DSS will also provide post-adoption services to ensure stability of new families through support groups and individual and family counseling. Further, the Department proposes to complete a computerized registry of all

children awaiting permanent adoptive placements to match prospective parents with children. It is expected that this improved tracking system will also enable legal staff to identify cases that are delayed and improve the clinical work of the adoption staff.

In FY '95, state and federal funds will support 4,255 protective day care slots which provide respite for parents, protect children from abuse or neglect situations, and provide integral social services to children and families. This funding will also support 10,880 income eligible day care slots for children of working parents who meet eligibility guidelines for subsidized care.

Account structure changes for FY '95 include a transferral of funding for Supportive and Income Eligible day care from the Executive Office of Health and Human Services to the Department of Social Services. Also, a state appropriation of \$74 million and \$9.2 million of retained federal revenue will support foster care services. A third component of the account structure reorganization is the merging of funding for Battered Women and Children services into account 4800-1400.

The Fiscal Year 1995 budget recommendation for the Department of Social Services relies on achievement of the following levels of non-tax revenue generation:

- ▶ \$76.4 million of federal Title IV-E reimbursement, of which \$9.2 million will be retained for foster care and \$3.8 million will be retained for administration
- ▶ \$65.0 million of federal Social Services Block Grant
- ▶ \$2.9 million of SSI/SSA
- ▶ \$1.2 million from fees collected for out-of-home placements
- ▶ \$0.3 million in miscellaneous revenue

Comments

The good news in the DSS budget is the expansion of the permanency planning account (4800-0020) which is increased by \$10.8 million. This is a response to the need to find permanent placements for over 5000 children who have been waiting for homes for over five

years. This will allow DSS to increase the number of completed adoptions to 1,200 in FY '95.

The funding for social workers, however, remains a problem. That account (4800-1100) is only up to \$520,000 which will pay for only 13 social workers. This number falls far fewer than the Governor's Foster Care Commission recommendation.

Most other children's services accounts are essentially level funded. This means that many of the recommendations of the Foster Care Commission that required additional funding will be ignored. This is a grave concern to many child advocates.

Department of Public Welfare

Description

The Department of Public Welfare (DPW) provides financial and medical assistance to more than 560,000 needy individuals and families each month. DPW operates MassJOBS, a state program that offers education, job training, and child care to help clients become self-sufficient. Emergency assistance helps individuals and families who are suddenly homeless or imminently threatened with becoming homeless. More than 40 percent of the Department's clients are children, most of whom receive Aid to Families with Dependent Children (AFDC), Medicaid, or food stamps. Two-thirds of AFDC recipients are children; two-thirds of Medicaid clients are children and families.

Total Funding	FY'94:	\$1.3B (A)	\$28.5M (O)
	House 1:	\$1.3B (A)	\$25.8M (O)

Appropriation for Selected Accounts

<u>Line Item</u>	<u>FY'94</u>	<u>House 1</u>
4400-1000 Administration	\$124.93M	115.87M
4401-1000 MassJOBS	11.82M	*
4403-2000 AFDC	706.26M	*
4403-2100 Emerg. Assist.	59.50M	53.49M
4403-2200 Employ. Support	*	735.38M
4405-2000 SSI	183.60M	200.40M
4406-3000 Homeless. Svcs.	22.98M	23.36M
4408-1000 EAEDC/GR	100.69M	90.99M

* The House 1 budget combines several accounts to create an Employment Support line item.

House 1 Projections

In Fiscal Year 1995 the Department of Public Welfare proposes to replace the AFDC Program with the new Employment Support Program. This new initiative is designed to shift existing resources from cash assistance into day care vouchers, while requiring the able-bodied to find employment. Medical benefits will also be extended under this program.

Education, training services and day care will be offered to working single parents. Parents who are enrolled in college will receive day care services during class hours, however, they must be employed. Cash assistance will be available for clients who are disabled and for clients who are caring for a disabled child. Teen parents living at home and attending high school will also be eligible for cash assistance.

Clients who are unable to find employment will be required to participate in the TEMP (Transitional Employment for Massachusetts Parents) Program, a public service employment initiative.

It is expected that this Employment Support Program will save the Commonwealth \$70 million in Fiscal Year 1995; \$30 million of which will be directed toward day care services for working, low-income families.

Since FY '92, the Department of Public Welfare has stepped-up efforts to detect fraudulent applications for services. Initiatives include Front-End Fraud Detection in conjunction with the Bureau of Special Investigations, Administrative Fraud Disqualification Hearings, computer matching with the Department of Revenue, and the Fraud Hotline. In Fiscal Year 1995, the Department proposes to expand the anti-fraud initiatives already begun. DPW will perform cross-matches with files from the Industrial Accident Board, AFDC recipients from border states, and prisoners, if approval is received from the Criminal History Systems Board for CORI clearance. The Department of Public Welfare also proposes to improve its client photo identification system with the intention of streamlining services and making cards more tamper resistant.

DPW will continue to work with the Department of Revenue in establishing child support orders and obtaining payments for an estimated 87,000 AFDC recipients who do not receive child support. In FY '95, the Department proposes to close an additional 4,500 AFDC cases due to aggressive child support enforcement activities.

The Department of Public Welfare is also working with the Comptroller's office to pilot the Electronic Benefits Transfer (EBT) initiative in a local office in Fiscal Year 1995. Cash benefits will be directly deposited into an account that is controlled by the Commonwealth. Clients will be able to withdraw funds, but the Commonwealth will retain the ability to deposit, withdraw, and freeze accounts if necessary.

Homeless families who have been in emergency shelter for at least 30 days and who are moving into permanent housing will be eligible for a \$450 relocation benefit in the new fiscal year. Expenditures for this benefit will be offset by reducing a portion of the Employment Support Program cash benefit for homeless families residing in shelters.

Legislation Required

The following legislation will be required in order for the Department of Public Welfare to realize its programmatic goals in FY '95:

- ▶ Enacting the Employment Support Program requiring AFDC recipients to find employment and allowing the generated saving to be spent on subsidized day care services
- ▶ Changing the Emergency Assistance Program to eliminate mortgage arrearages and certain rent arrearages. Projected savings: \$4 million
- ▶ Changing the EAEDC program to eliminate students. Estimated savings: \$9.7 million

Non-Tax Revenue Assumed

The Department of Public Welfare relies on the following generation of non-tax revenue in Fiscal Year 1995:

- ▶ \$380.1 million in federal reimbursements for Employment Support and Emergency Assistance programs
- ▶ \$87.3 million in child support collections by the Department of Revenue; \$70 million will be retained by DPW to offset Employment Support program costs. \$17.3 million will be deposited into the General Fund
- ▶ \$66.4 million in federal reimbursements for administrative spending related to benefits programs
- ▶ \$8.1 million in miscellaneous revenue, including prior year collections

Comments

Employment Support Program

The SAC opposes the House 1 proposal to abolish the AFDC program and replace it with an underfunded and unrealistic workfare program. The SAC believes that the proposed program is unrealistic about the number of recipients who will be able to find jobs in the regular job market. Thus tens of thousands of unpaid workfare slots will have to be created and administered. No funding is included to cover these costs. While House 1 proposes to use "savings" generated by eliminating benefits for day care vouchers, it does not provide funding to insure that the

children, our next generation, have access to licensed day care programs. Furthermore, the proposal eliminates education and training programs for welfare clients who are not working.

Many other welfare reform proposals are being considered by the state legislature as well as at the Federal level. The SAC would support a fully funded non-punitive welfare reform program which fully recognized the Commonwealth's responsibilities to the children of low-income parents. Such a program must include education and training for parents, wage supplements to both enhance earnings and encourage work, continued medicaid coverage until employer-supported health care is available and licensed quality child care for young and school-aged children. To insure its success, such a program must include a job creation component which improves opportunities for low-income families.

Homelessness

H.1 proposes to provide a one-time relocation benefit of \$450.00 for homeless families living in an emergency shelter who are moving to permanent housing. The goal is to assist families with the costs of moving as well as to reduce their time in a shelter. The SAC would support such a supplement. However, it is important to note the H.1 also proposes to eliminate Emergency Assistance benefits for families who live in public or subsidized housing as well as for families faced with mortgage arrearages. The SAC believes that cuts in Emergency Assistance is short-sighted and will only result in increased homelessness and, in turn, increased pressure on already overtaxed emergency shelters.

Department of Youth Services

Description

The Department of Youth Services (DYS) is the juvenile justice agency for the Commonwealth and a model for the country. The Department is responsible for youths that are detained while awaiting trial and those who are committed to DYS custody by courts on a delinquency offense. The number of detention admissions has increased by 20% from the previous year. More than 1,900 youths are currently committed to DYS custody, and increase of 17% over the previous year. Of major significance is the 50% increase of violent offense admissions since 1990.

FY'94: \$61.2M (A) \$61.6M (O)
House 1: \$67.0M (A) \$67.4M (O)

Appropriation for Selected Accounts

<u>Line Item</u>	<u>FY'94</u>	<u>House 1</u>
4200-0010 Administration	\$2.50M	\$2.54M
4237-1010 Community tx. Programs	5.94M	6.00M
4202-0001 Secure tx. Programs	9.8M	11.8M
4202-0020 Perimeter Secure facility	0.0	1.99M
4202-0004 Transition Man. Prog.	15.7M	16.1M
4202-0006 Education/Vocational	.923M	.923M
4238-1000 Consolidated facilities	15.2M	16.1M

House 1 Projections

The projected DYS budget for Fiscal Year 1995 is \$67.426 million. Of this, \$67.033 million is anticipated from state appropriation and retained revenue, and \$.393 million is to come from Trust dollars.

The FY '95 DYS state allocation includes a \$2.0 million dollar expansion to fund a new secure facility designed to isolate violent youth offenders who will be transferred to the adult correctional system after being held in DYS custody from less violent offenders. This new facility will help to alleviate overcrowding in the juvenile correctional systems and increase the department's secure capacity. The proposed \$2.0 million in non-tax revenue relies on the achievement of \$2.0 million from the Title IV-E Program.

Additionally, DYS plans to conduct, in conjunction with the Department of Public Safety and the Executive Office of Human Services, a recidivism study of youth committed to DYS between 1990 and 1992.

DYS will transfer \$4.0 million from its FY '94 retained revenue account to program spending accounts in order that funding will more closely reflect operations.

Comments

DYS has been plagued by the increase in the number of youths committing violent crimes and severely overcrowding its facilities. The Hogan Committee was appointed by the Administration to study DYS operations and address these issues. The FY '95 budget recommendation of \$67.03 million for DYS will nearly cover the recommendations made by the Hogan Committee. It is apparent, however, that an additional \$5 million should be added to the Department's budget to make necessary enhancements to the DYS system. The expected changes in the system during FY '95 include:

- ▶ Add 200 additional bed to alleviate overcrowding
- ▶ Hire 70 community monitors to implement intensive supervision of youth in the community
- ▶ Develop regional-based detention units to include space for violent pre-arraigned youth
- ▶ Overhaul the Classification System
- ▶ Provide regional Assessment Units and transportation availability
- ▶ Provide training for DYS staff and other agencies on the treatment of violent and sexually dangerous delinquents

More Information about DYS:

Violent Offenses Up 50%

There has been a 50% increase in the number of youth that have been charged with or convicted of a violent crime. With an increase in the use of guns, the safety of the public, youth in custody and the DYS staff are all at risk. The Department of Youth Services does not presently have the resources necessary to meet the increased need for security.

Classification

DYS lacks a comprehensive classification system. Assessments are only conducted on youth charged with a serious offense while the remaining are placed with no assessment because of a lack of personnel. DYS must ensure that all offenders are classified via regional assessment units.

Capitol Budget

Filed in late February 1994, a \$591 million Corrections Bill would support DYS in a 300 bed expansion, and would allow for renovations of existing facilities - totaling \$25 million.

Females in DYS

Specialized residential female programs addressing teen pregnancy, medical issues and child rearing are lacking. It cannot be overlooked that more violent offenses are committed by females than before, and proper treatment must be available.

Executive Office of Communities and Development

Description

The Executive Office of Communities and Development (EOCD) provides financial and technical assistance to promote economic growth, revitalize older areas through community development, secure affordable housing and assist low-income citizens through anti-poverty and energy conservation initiatives. The EOCD has four divisions: Community Services, Housing and Community Development, Private Housing, and Social and Economic Opportunity. The agency has focused its dollars toward prevention programs in efforts to best meet the needs of Massachusetts residents.

Total Funding

FY'94:	\$141M (A)	\$261M (O)
House 1:	\$132M (A)	\$240M (O)

Appropriation for Selected Accounts

<u>Line Item</u>	<u>FY'94</u>	<u>House 1</u>
3143-2027 CEED	752.4M	748.3M
3143-3036 Housing Services	304.6M	307.3M
3144-0002 Urban Initiative	1.0M	0
3222-9005 LHA Subsidies	21.95M	21.92M
3222-9024 Rent Ass't	62.99M	59.00M
3322-8878 RDAL	2.73M	2.73M
3322-9027 MHFA int.	8.32M	8.24M

House 1 Projections

In FY '95, EOCD proposes to continue to implement its BOAST (Budget, Occupancy, Administration, Standards of Health and Safety and Tenant Services) program in each of the 251 local housing authorities. This initiative is a performance-based maintenance and management program. In addition, EOCD will continue to assist non-profit and for-profit housing developers through its "One Stop Application Program", a simplified application process for private housing programs operated by EOCD and quasi-public agencies.

In an effort to identify troubled communities before they reach a fiscal crisis, EOCD will create an evaluation system using the

CASE (Community Assessment and Self-Evaluation) survey and data shared from other state agencies.

The House 1 Budget says that EOCD will continue to support approximately 7,000 units of affordable housing operated by the Mass. Housing Finance Agency (MHFA). Increased affordable housing and rehabilitation will be accessed through \$7 million in federal funds for the HOME program.

The EOCD will use \$2 million in oil overcharge trust monies to provide fuel assistance to over 7,000 households. Through negotiations with the Department of Energy Resources, this money will be allocated to the State 1&2 Program which serves one and two person households ineligible for federal fuel assistance benefits because their incomes are 150% and 175% of the federal poverty level. EOCD will also increase the number of families receiving low-income energy assistance by negotiating a discount rate with the utility companies.

EOCD relies on the following non-tax revenue generation in FY'95:

- ▶\$2.6 million repayment to the general fund from federal accounts related to debt service costs regarding housing construction and rehabilitation during the 1970's and 1980's

- ▶\$450,000 in revenue from fees associated with the allocation of federal affordable housing tax credits, to be retained by EOCD

- ▶\$67,5000 in miscellaneous prior year program returns to be deposited in the general fund

**Executive Office of Education
and
The Department of Education**

Description

The Executive Office of Education advises the Governor on all education policy and budgetary matters and develops and oversees educational policy from preschool to university postgraduate studies and adult education programs. With the Higher Education Coordinating Council, The Executive Office has restructured the University of Massachusetts from five independent institutions into a single system. It has played a crucial role in children's initiatives including: preventive strategies to protect children, both with early childhood programs to ensure the children are ready to learn and anti-violence programs to promote safe schools. The Office of Secretary also supports the "School for Excellence" which gives high-achieving 11th and 12th graders the opportunity to advance in science and math by taking courses at a higher education campus.

Total Funding

FY '94: \$2.0M (A)

House 1: \$2.1M (A)

Description

The Department of Education provides technical assistance and financial support to school districts throughout Massachusetts. This support is provided through grants and direct state aid to municipalities, local and regional school districts and other community-based organizations. Funding is also allocated for teacher and administration development, early childhood education, school construction and renovation, racial balance programs, and curricular and instructional improvements. Approximately 7,000 grants are distributed to school districts each year.

Total Funding

FY'94: \$1.8B (A) \$395M (O)

House 1: \$2.06B (A) \$411M (O)

Appropriation for Selected Accounts

<u>Line Item</u>	<u>FY'94</u>	<u>House 1</u>
7061-9500 Charter Schools		\$1.50M
7061-9100 Professional Dev. /Standards and Eval.		\$4.93M
7061-9400 Student/School Standards and Assess.		\$2.57M
7061-9300 Curriculum Frameworks	-	\$3.00M
7030-1000 Early Childhood	-	\$2.95M
7010-0010 Ed. Reform Implement	\$2.00M	.93M
7032-0500 Health Education Grants	\$5.00M	-
7010-0012 METCO	\$12.0M	\$12.0M
7010-0042 Magnet Schools	4.8M	4.8M
7010-0043 Equal Ed Improvement	8.4M	8.4M
7027-0016 School to Work	.864M	.864M
7030-1000 Private Schools	3.7M	3.6M
7030-1500 Headstart	6.0M	6.0M
7032-0500 School-based Health	16.0M	16.0M
7035-0002 Adult Basic Skills	4.2M	4.2M
7053-1909 School Lunches	5.4M	5.4M

House 1 Projections

In FY'95, the Executive Office of Education (EOE) will continue its commitment to the development of public "Charter schools". These schools will expand the educational opportunities of kindergarten through secondary students by allowing educators to plan and implement innovative ways of learning. Because these charter schools will draw their student populations from various communities, the day-to-day operational costs will be funded through tuition transfers from a charter school student's home school district. Initial funding for staff, equipment, and materials will come from a grant program developed and administered by EOE. Start-up funds for 10 to 15 charter schools will be provided in FY'95.

EOE will continue to expand the information available and distributed to the public through the Massachusetts Parent Information Center established in FY'92. EOE will initiate a public awareness campaign and will explore making extensive information on each of the Commonwealth's school districts available through computer networks in public libraries and institutions of higher learning.

In FY'95, EOE will reimburse public institutions of higher education accepting high school students through a dual enrollment program for the related tuition costs. Dual enrollment allows

public high school students to enroll in institutions of higher education for credit at both the high school and higher education level.

EOE, in conjunction with the Office of Economic Affairs and the Division of Capital Planning and Operation, is coordinating a comprehensive statewide plan, called Mass Ed On-line, for using technology in the classroom. Electronic networking, workstations, and professional development are among the key components of Mass Ed On-line.

EOE will continue joint planning with the MassJobs Council to develop integrated work and learning activities at the secondary and post-secondary levels to provide all students with the opportunity to learn and demonstrate mastery of a common core of academic and workplace skills at the 10th grade level. EOE will seek a \$10 million federal grant to implement School-to-Work principles in the Massachusetts education system. Additionally, each of the Commonwealth's 16 Regional Employment Boards will be offered a grant to devise and implement a strategic local School-to-Work plan. These funds will come from a \$350,000 federal School-to-School grant.

EOE, beginning in FY'95, will create a process to identify 6 to 10 pilot demonstration sites that will unite public schools with those social service agencies necessary to respond comprehensively to a child's needs. Pilot sites will be provided with technical assistance for the development of a comprehensive community action plan; create a multi-secretariat, multi-agency executive committee to provide leadership, direction, and coordination; and restructure the service delivery system at the local level to respond to the action plans generated by the pilot groups.

The following changes in the state law are necessary to insure that service delivery is not jeopardized and that recommended funding levels are adequate.

- ▶ Legislation allowing the Secretary of Education to contract with the School of Excellence
- ▶ Legislation allowing the Secretary of Education to develop and implement a start-up grant program for Charter Schools
- ▶ Legislation transferring the responsibility for Mass Ed On-line to EOE

Department of Education (DOE)

On June 18, 1993, the Education Reform Act was signed into Massachusetts law. This legislation is aimed at a fundamental restructuring of public schools and the acceleration of academic achievement of more than 850,000 school children. Five components critical to restoring excellence in the public education system are fiscal equity, high standards of achievement, accountability, innovation, and empowerment of parents. In Fiscal Year 1995, the Administration's budgetary recommendation for education reform includes \$184.4 million in new foundation aid and \$35 million in new education initiatives.

In FY'95, DOE will provide \$2.57 million in new education reform spending to support the creation of new uniformly high standards for student achievement and to continue the state's participation in the national New Standards Project.

\$3 million in new education reform funding will be provided to support the development of curriculum frameworks in the areas of English, history/social studies, foreign languages, and the arts, and to pilot use of these frameworks in at least 50 school sites. Superintendents and principals will be held accountable for the level of achievement of students in their schools.

DOE will distribute an additional \$184.4 million in state aid to local and regional public school through the foundation formula ensuring that each school meets its per pupil foundation spending amount.

DOE will spend \$4.9 million of Education Reform funding on professional development programs for public school teachers and the development of performance standards for all professional staff. Assessment tools with which to measure their performance will also be developed.

The Teacher Certification Bureau will be expanded to accommodate new statutory re-certification requirements for all teachers. A retained revenue account will be established; projected spending is \$3.9 million.

In FY'95, DOE will expand its Early Childhood Education program to fund 28 additional early childhood sites serving approximately 11, 800 children at an estimated cost of \$2.9 million funded through new Education Reform Aid. By January 1, 1997, DOE will expand this program to serve all one-to-three year olds.

The Administration will provide \$4.0 million in the FY'95 budget for school choice reimbursements to participating school districts. Further, the Board of Education will develop a plan to provide reimbursement for the cost of transporting students under the school choice law. Eligibility will be limited to those children who are eligible for the free or reduced lunch program.

DOE plans to continue its violence prevention and mediator training initiatives and will continue the grant program in conjunction with DPH in FY'95.

In FY'95 budget recommendation for DOE relies on the achievement of the following levels on non-tax revenue generation.

- ▶ \$3.9 million in teacher certification fees
- ▶ \$1.5 million in special education assessments against cities and towns for overpayments

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